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From the editors

Permanent Revolution 23

Summer 2012

A quarterly review of revolutionary politics and theory

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Signed articles do not necessarily represent the views of the organisation

Annual Subscription

UK £15.00 (four issues)

Supporting subscription

£25.00

Payable by PayPal on our website, or please make cheques payable to PR Publications

Send to

PR Publications,
BM Box 9180,
London WC1N 3XX

Please contact us for rates outside UK

Email

contact@permanentrevolution.net

Website

www.permanentrevolution.net

ISSN 1755-6937

Printed by

RAP Spiderweb Ltd
Commercial Centre, Clowes Street,
Hollinwood, Oldham OL9 7LY

This summer issue of Permanent Revolution concentrates on the impact of elections and struggles against austerity across Europe.

Greece is the eye of the economic storm which threatens to rip apart the Eurozone. A long period of demonstrations and strikes against the EU-imposed austerity measures ended with the major neoliberal parties losing their majority in parliament. We examine how the Greek crisis threatens European capitalist stability and what sort of measures a workers' government would need to take to protect the working class – inside or outside the single currency.

Other articles and briefings look at recent elections in France, Scotland and Britain. The victory of François Hollande in the French presidential election was a major blow against the advocates of debilitating deficit reduction programmes across Europe. Even in Britain the drubbing given to the Tories in the local elections reflected the rising discontent with such policies.

However, a major article on the state of the labour movement in Britain following the sell-outs in the pensions struggle paints a more sombre picture of balance of forces in Britain. It pinpoints the weakness in of the rank and file organisations in the trade union movement that allows a conservative bureaucracy to stifle the struggle and prevent action.

Finally, another theme of the journal is the anti-capitalist movement. We examine the significance and development of the Occupy movement both here and in the US, its debates and its future.

The eagle eyed amongst you will have noticed that we missed an issue in the spring. This will not mean any fewer issues for our subscribers who still get four issues for the bargain price of £15.

The Editors

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A new Marxist journal for the left

IN PERMANENT Revolution 22 we carried a report of a new anticapitalist initiative (ACI) in Britain and some proposals to take it forward. Since then the ACI has held a first national meeting, launched a website and, encouragingly, seen a number of local groups being set up (see www.permanentrevolution.net/entry/3400).

Even before the ACI was set up Permanent Revolution was discussing broadening out our journal as a means of overcoming divisions on the left. We have always kept open the pages of this journal to writers from other left currents, as in this issue. We have tried as well to develop the journal as a platform for debate; with its feedback section and ongoing theoretical arguments, as on Russia in 1921 and the analysis of the world economy.

We think we can do more – and we think the far left can do more. Every Marxist group thinks it is necessary to have its own journal and its own paper, alongside an on-line presence. Their *raison d'être* has largely been to ignore discussion and debate with other tendencies, or at best allow carefully controlled right of reply to a selected few. Developing “the line”, peddling it round the left, making “interventions”, hoping to recruit a few members by it, this has become the hallmark of the British left.

The result is a plethora of magazines that can only affirm the idea amongst honest activists that the left are completely divided and unable to have a serious and fraternal discussion amongst themselves, let alone produce a decent and readable Marxist review.

Much of what we produce as different organisations is duplication. We are all keen to explain the crisis in Greece, the impact it has on the working class and the poor, the role of the EU and IMF in imposing austerity, but do we really need to explain it in 20 or 30 or so different magazines and newspapers, most saying roughly the same thing to a shrinking audience!

Yet as the circulation of the “socialist red tops” shrinks a new and young audience is developing for anti-capitalist ideas, debating how society should work, how it can be controlled democratically, even what sort of world manifestos can unite the disparate movements.

As Marxists we need to reach out to this audience, not just with a printed journal, but also with a web presence and easily downloadable magazine apps. And we shouldn't approach such discussion as a one way street, with us presenting Marxist “tablets of stone” that provide all the answers to the movement. We need a dialogue where both sides learn from each other, where anti-capitalist militants can feel comfortable contributing to an openly Marxist journal without committing themselves to this or that group or fixed set of ideas.

Of course there are differences between us. Some groups have a tendency to opportunism, arguing for example that Syriza offers some sort of revolutionary Marxist solution to the Greek crisis or pulling their punches when their allies in the trade union movement proceed to sell out the pensions struggle. Others are hopeless sectarians who cannot

bring themselves to support the Arab spring because it might topple this or that “progressive dictator”.

A Marxist journal involving different tendencies will have to have political limits. We don't intend to build a joint platform with people who support the Assad regime in Syria or those who equivocate on NATO intervention, be it in Afghanistan, Libya or anywhere else. But neither would we bar such arguments from a Marxist journal where they reflect genuine confusion in the movement.

We think a significant section of the left, the new activists who have come into struggle around the anti-cuts struggle and the trade unionists who have gone through the recent disputes and drawn conclusions about their leaders, will be willing to develop a Marxist practice that avoids the twin evils of opportunism and sectarianism. To those we say come on board and help us in this project, work with us, write for us and help promote and sell a new Marxist journal on the left.

Running a broader journal won't be easy. It will mean overcoming ingrained habits, sharing resources, agreeing to differ and not to insist that everything we want is carried in the magazine. We assume the various groups and individuals involved will maintain their websites, blogs, their right to issue leaflets and pamphlets in their own name and that is how it should be. But we do think together we could produce a high quality journal of Marxism that is widely read, providing it tackles the real problems of the labour movement and of Marxist theory in a non-dogmatic manner.

And it should not just limit itself to politics and economics in the narrow sense but engage with the cultural, artistic and architectural debates of our time.

What do we think the key areas of theory and debate are that have to be addressed by such a magazine? We offer the following, not as an exhaustive list, but as some ideas to initiate the discussion.

1. The ability of the trade union bureaucracy to demobilise the pensions struggle raises again the question of how we transform the unions into fighting class struggle organisations. What do we mean by a rank and file movement today? How relevant are the lessons of RILU and the Minority Movement of the 1920s? Are we wasting our time trying to change right wing unions or should we be building new ones from the base up?
2. The referendum in Scotland raises the question of Marxists and the national question. Do we advocate independence even where a nation is not oppressed? Is there a clear Marxist position on the national question or does it need re-working for the 21st century?
3. How do socialists respond to the debates around climate change? Can we develop an action programme to tackle global warming that can command support from the trade unions and communities and is there a role for nuclear power in reducing emissions?
4. Does the Bolshevik model of organisation still hold good for today? Are we in favour of hierarchical or hori-

zontalist organisation or can we have elements of both? Does the left in Britain today, in the way it organises, have anything to offer the libertarian influenced anti-capitalist movement? Is strict democratic centralism really essential in a period where revolutionary insurrection is not the order of the day?

5. Do the changes in the working class, with globalised capitalism, the networked society and the growth of precarious workers make traditional methods of socialist organising redundant? How do we use the new forms of communication to strengthen the revolutionary wing of the movement.

6. The upsurge in Greece and the growing rejection of austerity throughout Europe raises the question of how workers' governments coming to power should respond to the crisis. The slogan "one no, many yeses" is clearly not appropriate when faced with questions of power, bankers' blockades and international market sabotage. What do we argue such governments should do? What are the lessons of Chavez's, Morales', and Castro's attempts to escape imperialist control?

7. Despite the advance of the French left, the experiment of the NPA has imploded, primarily because of its inability to address the question of religion and Marxism. How do we address the rise of political Islamism in the 21st century (Egypt, Turkey, Pakistan, Iran), the conflict

between feminism, women's rights and Islamism, and how far does the duty of socialists to defend religious observance go?

8. How has imperialism changed as a system of world exploitation in the era of globalisation? Is it still a meaningful term with the rise of China, Brasil, India, Russia and other emerging economic powers? Is western capitalism in terminal decline or just re-ordering the existing system?

From this issue of the magazine we will be circulating this appeal to other magazines, groups and interested individuals, exploring whether we can come together in this new project.

Obviously such a magazine will relate to the ACI. If this initiative develops as a broad current of anti-capitalists, as it should, embracing libertarians, trade union militants, anarchists, utopian socialists and many more, then we will need a Marxist voice that tackles problems as they emerge as well as Marxist theory.

But this new magazine will not be any sort of "official organ" of the ACI and we hope it will gain contributions and support from far outside it.

If you are interested in participating in such a magazine please get in touch with us at:

contact@permanentrevolution.net

TUC demo: make it militant action

THE TUC has called a national demonstration in October against austerity and cuts under the title "A future that works". This will be almost 20 months after they called a previous demonstration against the cuts in March 2011, a march which attracted half a million people.

What has happened in between? Quite a lot. The public sector trade unions were pushed into action fighting a massive attack on their pensions, part of the Tory-Lib Dem austerity package.

By 30 November last year millions of trade unionists struck against the government in a powerful coalition. Mass demonstrations and rallies took place up and down the country. Sectors of the economy were paralysed as working parents had to take care of kids from closed schools and ports and airports took action.

Had the TUC, who were coordinating this action, pursued the strike actions after N30 more vigorously, extending and escalating them, then the government would have been in serious trouble.

They did the opposite. The very same people who have called this demonstration, Brendan Barber and TUC leaders like Dave Prentis of UNISON, deliberately rushed to settle, and stabbed the other unions in the back. Their actions led to a retreat all along the line as other unions, like the NUT suspended further action.

Now the same Brendan Barber is declaring "The tide is turning against austerity". No thanks to him, rather thanks to the massive struggles in Greece and the French voters

decision to chuck out Sarkozy's austerity government.

But this only reflects the real policy of the TUC. The last thing these time-serving bureaucrats want is struggle on the streets and in the workplaces, action that upsets their cosy world of negotiations and cutting deals with governments. They were terrified by the sight of hundreds of thousands on strike, on the picket lines and on the streets. It was a movement they feared would get out of their control, so they quickly moved to end it.

This they have almost achieved closing down the struggle and losing members' pension rights. Now it is safe to call a national demonstration, a long way off. It aims to give the impression that the TUC are doing something other than waiting till 2015 when they hope Labour will win the general election.

We should be clear. This demonstration is a cover for their inaction and a sabotaging of the real struggle. It is being used as an alternative to taking militant action that can really defeat this government – its aim is to march the movement from A to B, pat them on the head and send them home again. It is called so they can say "there you are, we are organising against the government". They are not, they are organising against us.

Yes of course we should build for the demo, but try to use it to mobilise the most militant actions we can on the day. We must show that we aren't going to be just passive marching fodder for the bureaucrats but active fighters against this government.

NUT

Renew the pension fight, transform the union

THE DECISION of the NUT Executive to call off strike action for the summer term, ignoring conference policy in the process, was a real blow to the struggle to defend public sector pensions. It was a blow not just to teachers and NUT members but to the morale of public sector workers generally.

In fact, the leadership provided by the executive in this dispute, in sharp contrast to the combativity and resolve demonstrated by union members during the three strike days, has been dismal throughout. The failure to escalate action after the 30 June and 30 November strike actions, the long months of dithering and vacillation between strikes, the time-wasting decision to survey members on future action despite the existence of a live ballot, the decision to limit the March 28 strike to London rather than calling national action all showed that the leadership was not intending to lead a serious struggle over pensions.

The failure to organise action alongside UCU, PCS and Unite on 10 May and then to call off all action this term were disastrous decisions. Faced with the ferocity of the government's attack on pensions, the leadership of the NUT has opted for business-as-usual trade unionism, drifting from executive meeting to executive meeting passing lengthy resolutions but doing little to organise resistance.

The NUT, it is worth noting, is supposed to be a "left-led union". The two main left currents in the union, the Campaign for a Democratic and Fighting Union (CDFU) and the Socialist Teachers Alliance (STA), are in the majority on the executive. The NUT's general secretary Christine Blower and her deputy, Kevin Courtney, are both from the left of the union. Many of

these lefts have been responsible for the events listed above.

The decisions to scale down action on 28 March and to call off action for this term, for instance, were made with the votes of CDFU executive members and on the recommendation of Blower and Courtney. At NUT conference leading members of the STA argued and voted against taking action with other public sector unions on 10 May. The situation in the NUT provides a clear illustration of the inadequacies of broad leftism with its emphasis on capturing posts in the union (and the STA and CDFU are classically broad leftist organisations, even though the STA has been fully and uncritically supported over the years by the SWP). Electing left leaders is no guarantee of militant action if we are unable to exercise control over these leaders and the structures of the union.

Given what has happened in the pensions dispute the conference organised by grassroots NUT activists for 16 June in Liverpool is of vital importance. The Local Associations National Action Conference (LANAC) has its origins in two fringe meetings at NUT Conference called by delegates who are angry with the executive's misleadership of the dispute and the fact that the outcome of the conference debate on pensions provided no clear programme of action to take the struggle forward.

These two fringe meetings, called at short notice, were well attended and often inspiring. It is crucial that LANAC uses the anger and commitment to action expressed by those delegates – not just to win a determined campaign of strike action over pensions – but to organise a network of rank and file activists that can force a change in the direction of the union.

There are two key tasks faced by delegates to LANAC. Firstly, we must seek to revive the pensions campaign, deciding on the kind of action needed to win and how this action can be achieved. It is essential that national strike action resumes as soon as possible and escalates rapidly. The members need to see a leadership taking determined action, if possible with other unions, actions of a strength and longevity that will actually make the government retreat.

Certainly we must demand as forcefully as we can that the executive sanctions and leads such action. However, if the executive refuses to back action we must be prepared to try and organise it ourselves as a way of kick-starting the campaign into life.

Secondly, we must use the opportunity created by the grassroots, activist nature of LANAC to begin building a genuine rank and file organisation, that seeks to transform the union into an organisation that can successfully fight the attacks we face, not just on pensions but on regional pay, academies, free schools, pay freezes and all the other issues that members want a real fight over. To do that we need to learn the lessons of the STA and the CDFU, no more broad leftism but a radical campaign to transform our union, ridding it of bureaucracy and conservatism and ensuring that all decisions about action are controlled by the members.

Below is a resolution, to be submitted to the conference by Permanent Revolution teachers and others, one that identifies the key characteristics of the rank and file organisation we would like to see LANAC build. This should go alongside any statement or resolutions aimed at restarting and escalating the pensions dispute; indeed it is essential to it.

Changing our union

LANAC believes that the pensions dispute, with its catalogue of misleadership and retreat by the executive, underscores the need for the building of a genuine rank and

file organisation in the union, its aim being to transform the union into an organisation that fights resolutely for its members' interests.

A rank and file organisation would seek to transform the union from top to bottom. As such, it would fight for the following objectives:

- › All officials and union representatives should be elected and recallable.
- › All officials should be paid the average wage of the classroom teachers they represent.
- › Rule 8 should be abolished. NUT members at local and regional level must be the ones to decide when and how to take action not the executive or the officials, whose role should be to endorse and support such actions.
- › All struggles should be controlled by union members through strike committees and mass meetings
- › The union should represent classroom teachers not management. Headteachers should be denied membership of the NUT.

Rooting itself in school NUT groups, such an organisation would:

- › Organise independently of the official apparatus of the union when necessary.
- › Recognise the need to defy the anti-trade union laws wherever they restrict the union's ability to take effective militant action.
- › Build itself through action, if necessary organising its own strikes when the leadership refuses to sanction action.
- › Fight to build one union in the education sector.

Such an organisation would seek the maximum unity in action of education workers, ensuring that all picket lines are honoured and that workers in different unions are encouraged to strike together, officially if possible, unofficially if we must.

LANAC agreed to hold a recall conference in September to discuss concrete proposals for the launch of a new rank and file organisation in the NUT. We will elect a steering committee at this meeting to plan and publicise the conference.

Dave Gay

LABOUR PARTY

Government shambles lets Miliband recover

PREVIOUSLY IN our magazine, we thought that Miliband as leader of the Labour Party was existing on borrowed time. His personal popularity ratings low, surrounded by embittered and plotting Blairites he spent his time losing friends in the labour movement by denouncing the pensions strikes and refusing to commit to any reversal of government cuts.

But in the last few months there has been a significant recovery in his fortunes. The good local election results in the Spring have helped him turn things round. He is also benefiting from a sharp decline in popularity for the Coalition

following weeks of "omnishambles" and double dip recession dominating the news agenda. Add to this the drip feed of scandals emerging from the Leveson inquiry of Cameron and the Tories close links to the Murdoch's and Labour is riding high in the opinion polls. The net result is that Miliband's position as leader is probably secure now until the General Election.

How firmly based Labour's lead is in the polls is remains uncertain. On the one hand we can see a step change in public perception of the government. The previous message of "it's all Labour's fault and we're clearing up the mess", is wearing very thin. Ed Balls' message is that

the austerity policies of the government are making things worse and the cause of a further recession are starting to have an impact. The victory of Hollande in the French presidentials where the people rejected the austerity government of Sarkozy and "voted for growth" has further undermined the Tory/Lib dem message.

Equally, the "two posh boys" jibe, voiced by Tory MP, Nadine Dorries, and repeated by Miliband is clearly scoring a big hit on the "we're all in it together" proposition. A cabinet stuffed with multi-millionaires that cuts taxes for all those earning more than £150k a year was never going to be popular.

On the other hand, the essential ConDem cuts message remains intact. It is the argument that there is no alternative to cutting public expenditure, that "we have borrowed too much" and have to cut-back. This message is of course reinforced by Labour who also want cuts, albeit, cuts and austerity over a longer time period.

More than any previous government, the Coalition's fate hangs on the state of the economy in the next two or three years. If there is an economic recovery, however small, the Coalition will try and claim the credit and derive electoral advantage. Although, at this stage, economic upturn appears unlikely, that is still their only hope.

In the wake of Labour's improved position, Miliband's rhetoric has adopted a leftish tinge. "For the many not the millionaires" is the current background music and it is striking a chord. To the disgust of latterday Blairites, the reintroduction of class, as a campaign focus, is noticeable. Perhaps underlining this small change, we have seen the elevation of Jon Cruddas to chief policy coordinator. He replaces Blairite Liam Byrne, who burnt his bridges by declaring his desire to become Birmingham Mayor (stupidly as it turned out, as the voters rejected the idea of having a Mayor in the referendum).

Cruddas, while adopting some left of centre positions is by no

means a left winger, he even supported David Miliband in the leadership election. He holds nationalist and anti immigration views, recently advocated by the "Blue Labour" tendency. At the same time as promoting cruddas, Miliband "balanced the books", by bringing back the odious uber-Blairite Lord Adonis, to oversee Labour's industrial strategy.

While all this was going on, George Galloway pulled off his spectacular coup in the Bradford by-election in March and his Respect grouping picked up a handful of councillors in May. Some on the left have immediately jumped on the bandwagon of this old constituency carpetbagger. Socialist Resistance has even been trumpeting it as "a new spring for the left". Far from it.

Galloway's breakthrough was quite specific to Bradford, a heavily Muslim constituency where Galloway's consistent anti Iraq and Afghan war stance went down extremely well. Add to that a growing discontent with a corrupt and clique ridden Bradford council dominated by one section of the Muslim community, as well as lacklustre Labour candidate who did not dare even to debate Galloway, and you had all the factors present for an upset. Galloway also played to the "I represent old Labour" mood which went down well with the white working class sections of the constituency.

It was this coalition of forces, and a lively campaign supported largely

by the young and students, that delivered a victory, which was a victory for the anti-war sentiments in sections of the population as much as anything else.

Contrast this with the disastrous showing for the Trade Union and Socialist Coalition (TUSC) around the country in the May elections, and especially in London where it scored a mere 0.8% of the votes (see www.permanentrevolution.net/entry/3402). What these results show is that as long as there is no credible alternative to Labour, voters will continue to give it their anti Tory votes, and the trade unions will continue to advocate their millions of members do so.

All these left electoral initiatives suffer from one fatal flaw, they are just that, electoral initiatives. They are not parties involved in day-to-day struggles, defending working class communities against the cuts and redundancies, building a real base and loyalty amongst local people. They just turn up on the doorstep asking for votes when election time comes round. And then they wonder why no-one votes for them.

Without such a credible, fighting political alternative, the nearer it comes to a General Election the more Labour will consolidate its votes. This is because working class voters will see that the only way to stop the Tories/LibDems taking power again and conducting their destructive work, is to vote Labour.

Andy Smith

On 16 May, Chile was swept by a new wave of demonstrations organised by students to express their opposition to the government measures to fund improvements in the education sector. In the capital, Santiago, about 100,000 people wound their way along Santiago's main street, culminating in a rally at Mapocho Station.

The streets of Valparaiso, Concepción and Temuco likewise thronged with students and their supporters. This was the second major student demonstration of the year; on 25 April some 80,000 people protested.

"We are pleased by the number of protestors, because it sends out a clear message: the social movement for education, far from dead, is more alive than ever," said the president of the Federation Catholic University Students, Noam Titelman in Santiago.

"Public policies cannot be made behind the backs of the people. We must get used to the fact that increasingly we will see an empowered population participating in these spaces, trying to develop an alternative to the current model," he continued.

With banners proclaiming, "Revolution is something you carry in the soul, not to live in the mouth" and "We take the street to not be silent", the demonstrations were led by leaders of university and secondary school students.

The nationwide protest was held after the government announced that the state will take responsibility for the financing of higher education, displacing the private banks and eliminating the state-backed loan system, a "gesture" that students considered insufficient.

"To remove the banks is an achievement and we consider it is a progress, but not enough" said the protesters.

The main criticism is that the move was not the result of dialogue between the government and the various representatives of the education sector. It also leaves out the issue of how the universities in the regions are to be funded.

An investigation by the Centre

CHILE

Students and workers fight Pinochet's legacy

STUDENTS HAVE returned to the streets of Chile in a new blow to the right wing government of president Sebastián Piñera. Thousands of people have taken to the streets this year to press their demand for free, universal state education.

They follow the mass protests last year demanding a free and high quality state education system, a struggle in 2011, which drew in a million people just in Santiago alone. In the course of the struggle Piñera saw his poll ratings plummet by 26%.

for Journalism (Ciper-Chile) revealed that the seven banks that participated in the student loan system pocketed more than \$312m between 2006 and 2011.

The Confederation of Students of Chile estimated that \$4.5bn will be required each year to fund a free education system in the country. Nothing like this sum is on offer. President Sebastián Piñera announced a tax reform bill to raise the finance for improvements to the education system. This would levy a mere 2% tax on businesses, mustering only \$700m, a proposal the students have rejected.

The new president of the Student Federation of the University of Chile, Gabriel Boric, said: "We want fundamental reforms, we want to change the course of education in this country and make it a right for all."

And it is not only students who are giving the government a headache. Miners who are members of the Confederation of Copper Workers (CTC) occupied the roads to the Codelco mines in Antofagasta, Andina, Gaby and Radomiro Tomic, in the north. Meanwhile contract workers who work for the state National Copper Corporation (Codelco) blocked the access roads to the sites on 17 May, demanding better working conditions and wages.

In the city of Calama, near the Chuquibambilla mine (the world's largest), demonstrations erupted on 18 May demanding that part of the profits of mining companies be used to improve the mining towns and combat the pollution caused by the mine owners.

The leader of the Citizens Assembly of Calama, Jedry Veliz, said that if the government does not respond with concrete proposals to the demands of the calameña citizenship, the city could become a "second Aysén". This is a reference to the intense month-long struggle that took place over the Chilean summer at the end of last year.

The Aysén Region is in the far south of Chile, 1,500 km from the capital Santiago. A struggle erupted around demands for compensation

against high living costs and against the authoritarianism of the central government. It was in this region where Sebastián Piñera received his highest vote (over 60%) two years ago.

It started with the struggle of fishermen against the Fisheries Act that privatised the marine resources. It quickly spread to a region-wide fight against the high cost of living. The starvation wages prevailing in Chile in this area are

confrontation with the national government.

Earlier in 2011 a similar struggle took place in the neighbouring region of southern Chile, Magallanes. This and the Aysén fightback are episodes that are beginning to erupt throughout Chile and signal a determination – as with the students – to break with the entire inheritance of the Pinochet era.

The mass student protests last

"We want fundamental reforms, we want to change the course of education in this country and make it a right for all"

– Gabriel Boric

combined with a cost of living that is 30% higher than the rest of the country.

The region's infrastructure is woeful. No roads are built now because they are not profitable in a country where everything is privatised. There are no universities, forcing young people to migrate to other regions. In the various regions of Chile the governors are not elected but appointed by the President (the legacy of the Pinochet dictatorship), and they do not have their own budget. This ensures that local struggles escalate quickly into a

year and this have led many workers now to believe that free education is possible. Many people have concluded that it is right to tax the rich, to eliminate VAT and to demand the re-nationalisation of the mining companies and the complete nationalisation of all natural resources.

This points to the urgency of unifying the struggles of students and workers under the banner of class independence to end the legacy of Pinochet represented by the right wing government of the multi-billionaire Sebastián Piñera.

Diego Carmona

EGYPT

Old regime still not dislodged from power

THE ELECTIONS in Egypt are proof that every revolution contains the seeds of a counter-revolution. Whilst the military, in the form of the Supreme Council of the Armed Forces (SCAF), has been dislodged from direct rule, it continues to exercise tremendous power, and now does so in an

uneasy on-off alliance with the Muslim Brotherhood.

The Egyptian uprisings have, within a year, become part of the public's consciousness, featuring in the revolutionary pastiches popular culture likes to regurgitate so much. The occupation of Tahrir Square is the new Che Guevara.

Briefings

An innocuous symbol of bourgeois democracy, some day soon to be pictured on your teenage son's t-shirt next to the Arabic words for liberté, égalité, fraternité. But where has the revolution gone and what has it achieved? With the second round of presidential elections soon to be held, the question could not be more pertinent. After all, what was gained and what was lost since 25 January 2011?

The success of the Egyptian protests was premised on the wide range of social forces they galvanised. From the unemployed graduate to the street seller, from

solely on lowest common denominators will, without a strong revolutionary leadership and initiative, quickly deteriorate.

The developments of the last few months show a marked tendency towards consolidation of a new bourgeois order, similar in some respects to Turkey, with a powerful centre right Islamist movement in power and a strong military behind the scenes. The dynamic tension between these two forces will be a crucial feature in Egyptian politics for the foreseeable future, but to what degree the Brotherhood will crack or fragment is not yet clear. Certainly anyone assuming that the

punishment orchestrated by the police. The killings resulted in large protests and further rounds of demonstrations in Tahrir Square. They represented the fusion of the pro-democracy movement with working and lower middle class people who know how to handle themselves in a fight

The worker's movement itself has taken steps forward but is still at an embryonic and weak stage. The Federation of Independent Trade Unions, formed in the white heat of the revolution, has the support of two million workers organised in 200 unions, but it has yet to form itself as a powerful institution able to really mobilise its members. The general strike against the military regime that was called by the federation for 11 February was a failure.

The presidential elections are now entering their second round. The run off is between the Muslim Brotherhood candidate and Ahmed Shafiq. Shafiq is a felool (remnant) of the old regime, but a remnant that might win the presidency. He once described Mubarak as his "inspiration" but in the elections he sought to position himself as the "defender of the revolution".

He is only allowed to get away with such barefaced cheek because of the lack of direction and energy from the revolutionary movement. Normality has returned, some people are tired of constant upheaval. Shafiq represents stability, a chance for Egypt to carry on. Some might vote for him out of a misplaced sense of stopping the Muslim Brotherhood, but Shafiq would be no different in practice. Sharia law is already written into the law books and the mainstream parties all agree that the revolution has now done its work and the time has come for business to return to normal. On the day of the first round of the presidential election Shafiq reportedly said, "The revolution is over."

The Muslim Brotherhood's posters carried the rather cryptic slogan "renaissance is the will of the people", but Mohamed Mursi – the Ikthan candidate – draws mixed feelings about what his renaissance

There are still large numbers of people who are still looking to the future and are not satisfied with normal parliamentary politics as the outcome of the revolution

the factory worker to the cafe owner, from the housewife to the political activists opposed to Hosni Mubarak – the possibility of democratisation and regime change resonated across Egyptian society. And during 18 days of protests, strikes and occupations the alliance held tight, seeing only the moderate and conservative wings of the Muslim Brotherhood unsteadily supporting the revolution whilst negotiating with the regime behind the backs of the movement. The leaders of the Brotherhood are good businessmen, they know how to make the best deal possible.

The fallibility of these alliances was obvious as soon as the Mubarak regime fell and the process of democratisation (the organisation of the first free elections in the country's history) started taking place. Divisions between moderate and radical forces was visible not only in the electoral programs, but also on the streets, where sectarianism turned into bloodshed during the attacks on Coptic churches. It proved that indulging in the politics of cooperation based

Brotherhood will provide a reliable, mass activist base for the incoming regime may be disappointed.

Many quickly began calling the protests that began in November 2011, the second revolution. These protests, now against the SCAF and calling for its disbandment and removal from politics, followed serious clashes between demonstrators and the army. Whilst they did not quite live up to the name, they showed that the spirit of Tahrir lived on well past the fall of Mubarak. Protestors tried to march on the Ministry of the Interior, and were met by riot police firing tear gas, shot guns and even using a suspected nerve agent. Forty protestors were killed whilst the regime was quick to denounce those on the streets as simple "vandals".

Much of the street fighting was carried out by football fans called Ultras, people who know how to deal with the police and were very effective at organising sustained protests in the face of serious state violence. Many thought that the 74 fans killed during violence at a match in Port Said were a

might mean. The Brotherhood has made it clear they will maintain the treaties with Israel, only slightly modified. They want to develop the industrial sector, looking to investor led projects from Singapore, Thailand, Malaysia and Vietnam. They want a strong police force and the rule of law based on the protection of private property. They have been more reticent about explaining their social programme, but have certainly ramped up the anti-regime talk in the last weeks of campaigning.

If Shafiq wins the election then for many involved in the struggle it will be a serious set back, the return of a new Mubarak, cut from the same cloth with the same ideals. "What are we supposed to say to the families of the martyrs when someone like that actually becomes President: 'sorry, your children died for nothing'?" Asked Engy a pro-democracy activist.

But the fact that only 50% of people voted tells us something. A lot of people are cynical about the elections, fearing that they will only strengthen the military regime behind the scenes. Engy, who boycotted the elections, said:

"Do you really believe that the leader of the military council, Field Marshal Mohamed Hussein Tantawi, is sitting down in front of the television and waiting to hear who will be the next president? [It's] already been arranged."

The low turn out compared to the parliamentary elections shows that even the Brotherhood did not manage to mobilise in the same way, and some of their supporters voted for alternative candidates.

In Egypt politics is still moving, still in flux, and even apparently powerful movements or organisations could crack under the pressure of power.

The significant vote that Hamdeen Sabahi got in the cities of Cairo and Alexandria, drawn mainly from the large working class communities there, shows that there is a strong left populist democratic mood in Egypt. Sabahi actually beat Shafiq in Alexandria, sweeping the board with a significant turn out. He was an

activist under the regime, an MP twice, imprisoned 17 times and seen by many as a consistent democratic force. One activist explained that, "The revolutionary youth and young people inspired by the revolution gathered around Sabbahi and began campaigning for him independently."

But Sabbahi's politics are not strictly leftist in any socialist sense – though compared to the other leading candidates he is far more radical. He is a left-Nasserite who cut his teeth in a struggle with the old guard of Arab nationalism, before forming his own party Karama in 2004 and spearheading the Kefeya movement, the first serious national campaign to get Mubarak to step down.

Unfortunately, the Revolution Continues Alliance, the united front of the far left that contested the parliamentary elections only won ten seats, and their candidate received a very poor vote in the presidential elections. Clearly the far left has some significant mobilising power for protests but no real political influence within establishment politics.

And there are still large numbers of people who continue to look to the future and are not satisfied with normal parliamentary politics as the outcome of the revolution. Whilst they are a large number

they are not well organised. Outside of Tahrir square they are scattered across the different co-ordinations and groups.

What does the future hold for the Egyptian people? It would be wrong to be too critical of the outcome of the revolution. The political dynamic has shifted significantly in Egypt, and most importantly a sizeable pro-democratic revolutionary movement has emerged which is still not satisfied with what has been achieved so far.

The space for workers' self-organisation and activity has dramatically increased and the opportunities for continued political mobilisations against the remnant of the old regime remain. The danger now is that the vast majority of people become complacently satisfied with the arrival of bourgeois democracy and the left gets sucked into a routine of small activist protests and some trade union work.

But one thing is clear – the Egyptian people stood up for themselves in January 2011 and the legacy of their uprising will not easily be wiped out by the establishment figures now enjoying the benefits of what the many martyrs fought and died for.

**Joana Ramiro and
Simon Hardy**

SWEDEN

Social democrats find new leader

 SHORTLY AFTER leading the Swedish Social Democratic Labour Party (SAP) to its worst result since 1914 in the 2010 elections, the party chairperson, Mona Sahlin, resigned. The defeat, the second in a row for the country's "natural" party of government, shook the SAP to its core.

Sahlin had succeeded Göran Persson after the 2006 election defeat. But despite belonging to the

party's leadership circles for more than three decades she decided not to test her support in a party where the leader is elected like a new pope: no open debate in the party ranks, no open contest between declared candidates. The succession is more or less decided behind closed doors, and the party membership is expected to close ranks when the great and the good have made their choice.

There are few worse crimes in a reformist party than to lose an election. Sahlin lost her backers on the right and was already distrusted by many members for being too right wing – it was no secret she had preferred not to include the Left Party in the Red-Green Alliance for the 2010 election. She had wanted an electoral alliance between SAP and the Green Party only. She regarded the Left Party as “irresponsible” but was more or less forced to accept it into the alliance.

After several potential candidates indicated their unwillingness to succeed Sahlin the SAP hierarchy officially nominated Håkan Juholt to the post as party leader in March last year.

“Håkan who!?” went up the cry. A quick google revealed that Håkan Juholt had been a member of the Swedish parliament, Riksdagen, since 1994. He was regional chairman of the Social Democrats of Kalmar Län and recently elected chairman of the parliamentary committee on defence issues.

Juholt’s honeymoon as party leader was short. In October the daily paper Aftonbladet accused Juholt of over-claiming more than 160,000 SEK (€17,700) allowances for a flat he shared with his partner. The guidance was unclear but it was too late. The media had let loose its bloodhounds. More sins were discovered and the result was not long coming. The party’s saviour – at first the party had seemed to recover in the polls – was now a liability.

Soon the pressure began to build in the party to get rid of Juholt. Per Nuder who had been a key supporter of Juholt in his leadership bid, now came to play a key role in convincing Juholt to resign at a crisis meeting of the party leadership on 20 January this year.

The party leadership also realised they needed to find a new party leader without delay, but it had to be a safe pair of hands. The party had had enough of surprises. In a few days they found and managed to persuade Stefan Löfven, chairman of the big trade union IF Metall. For a party in turmoil this grey, soft spoken, scandal-free, uncharismatic, middle-aged man with a genuine working class background seemed a godsend.

The support for the SAP jumped. In April this year it reached about 35%, 5% above the 2011 election result and around 10% higher than the polls were giving the party last autumn.

Löfven seems to be benefiting from the suggestion that the SAP is returning to its roots in choosing Löfven, as well as benefiting from a general discontent with Alliansen, the bourgeois coalition government and its austerity policies.

Nevertheless, the SAP’s policies today remain much the same as when they lost the last two elections and while Sweden, like the UK, is outside the Eurozone, the crisis engulfing Europe’s economy poses sharp questions that social democracy has no distinct or progressive answers to.

Anders Hagström

equity firm that made hundreds of millions of dollars for its investors by buying up firms and sacking thousands of workers to make them turn a profit again.

Like most Republicans he is obsessive about taxes: he will not contemplate raising them, not even for the super-rich multi-billionaires like Warren Buffet and Bill Gates who have even asked to pay more taxes. Moreover, he does not like paying taxes either, having paid as little as 15% of his income in tax for years.

Romney is a living embodiment of the class that has both driven and benefitted from the massive growth in inequality over the last decades in the US.

Over the past three decades, the top 1% of families in the US has seen its income jump by 278%; for the middle 60% of wage earners, its increase in income is less than 40%. Today, the top 1% earns 21% of all pre-tax income; compared to less than 9% some 35 years ago.

Naturally enough key members of the 1% team – like investment banks, Goldman Sachs, Bank of America and Morgan Stanley – have funded Romney’s 2012 election campaign. Hedge fund billionaire Paul Singer and three JP Morgan executives are among his chief fundraisers.

His views and policies on social issues, from abortion to immigration, are reactionary and discriminatory. He even sacked his own campaign’s foreign affairs spokesperson when it was revealed he was gay. He implacably opposed Obama’s weak health care insurance reforms as it wound its way through Congress.

As it stands Romney is not likely to be elected. He is behind in the polls and the arithmetic of the US electoral college system does not stack up for him. While major political and economic storms – domestic or foreign – could still put wind in the sails of the Romney campaign, it looks as though the election is Obama’s to lose.

But this prospect is not something to welcome either. Even the most dewy-eyed Obama supporter from the 2008 campaign

USA

Wall St gets to choose US president – again

THE US presidential election in November will be a contest between two representatives of the 1%. On the Republican side Mitt Romney’s CV and personal wealth make it clear that he is one of the

1%, if not one of the 0.1% of wealthiest people in the country.

His personal fortune, in excess of \$200m, was amassed mainly while working as co-founder and chief executive of Bain Capital, a private

has become less than enthusiastic about another four years in the White House for the incumbent. Many more are openly cynical and disillusioned as a result of his failed promises and their dashed hopes.

The healthcare reforms have still yet to kick in and may still be unpicked and reversed by the Supreme Court or future Congress decisions. Even as they are they leave many outside the framework of free or covered health provision.

Despite all the anti-banker rhetoric of his last election campaign and after, the actual legal reforms passed or proposed to prevent a re-run of catastrophic actions that led to the financial collapse in 2008, are weak. While thousands of Occupy movement supporters have been arrested in the last year for protesting at the reckless actions of the bankers, not one financier from Wall Street has been arrested or charged with any criminal activity, despite there being plenty of prima facie evidence. "Too big to fail and too big to jail" seems to be the motto and bonuses still mushroom out of control.

And the main reason for this is

that Obama, like Romney, is a creature of the 1% and in hock to Wall Street as much as Romney.

Obama appointed: a former Goldman Sachs lobbyist to be chief of staff to the treasury secretary; a former Goldman Sachs executive to head the Commodity Futures Trading Commission; and the former chief executive of Finra, the investment-banking industry's self-regulation body, was picked out to run the Securities and Exchange Commission. As one commentator put it: "This is government of the bankers, by the bankers, for the bankers."

In short, US electoral politics remains corrupted by money and the very personal overlap between business and politics. Tens of millions of dollars are needed to run for president; he who raises and spends most usually wins. It is Tweedledum versus Tweedledee.

Obama and even the Republicans' rhetoric over the last year may have nodded to the concerns of the Occupy movement in the US, but both candidates stand four square behind the 1% that this movement has so eloquently indicted.

Keith Harvey

FIGHTING AUSTERITY

Can we break

DURING THE 2010 election the Tories repeatedly deployed the slogan of “broken Britain” to stigmatise the ailing and failing Brown government. The slogan was a good one because under New Labour Britain was having its economic back broken by the bankers’ crisis. But now Cameron is in office, with the Liberal Democrats as his shield bearers, it is clear the slogan was actually an election pledge – Cameron aims to break Britain.

To be precise the Tories are breaking Britain’s poor, its working class, its inner-city youth, its students, its vulnerable and its disabled. Under the ideological cover of cutting the deficit – a deficit created for the most part by bailing out banks and bankers whose rampant greed plunged the world economy into chaos – Cameron is carrying out the long held Tory goal of dismantling the welfare state.

The government is not driven by temporary economic considerations. It is fulfilling a deep-seated commitment to eradicating the drain on profits that the welfare system represents. That drain is deemed intolerable by 21st century capitalism. Cameron is acting on behalf of the corporate billionaires who rule the planet. He runs a government of the rich and for the rich.

Every component of the welfare state is facing the Tory axe. Local government services to the vulnerable and the elderly are being slashed. Children’s centres are being cut and closed. Social housing is being crushed as the number of homeless spirals upwards. Libraries, care homes, nurseries, leisure centres – are being closed or being handed over to the private sector.

Benefits are being cut to the bone. The unemployed and the disabled are blamed for refusing to work rather than protected from the ravages of a crisis that is destroying hundreds of jobs every day. “Universal Credit” will mean universal poverty. Pensioners face a retirement of financial uncertainty. The low paid will have their incomes

*The mass strike action on
30 November showed that the
working class could have broken
Cameron’s austerity coalition over
the question of pensions. But,
argues Mark Hoskisson, our trade
union leaders deliberately threw
away the chance*

Cameron's government?

driven down further as their entitlements to tax credits and housing benefit are ripped up.

Education is privatised through academies and free schools, which aim to train a pliable and ignorant workforce. State schools are pushed into "failure", starved of funds and investment. Fee-paying rivals for the well off are booming. Working class students are driven from further education by the abolition of the educational maintenance allowance (EMA) and from higher education by exorbitant fees, zero grants and expensive student loans. From around the globe carpetbaggers are riding into Britain to take their cut from an education system based on making a fast buck. Learning replaced by earning.

Even the "ringfenced" NHS has not been spared. New Labour started the rot through the private finance initiative (PFI), leaving many hospitals crippled by debt owed to private companies who built and run them. On top of this Andrew Lansley's "reforms" have been rammed through parliament in the teeth of massive, if largely passive, opposition from doctors, nurses, patients and the public. Profiteers are rubbing their eyes with disbelief but their hands with glee because this government has gone further than any other in destroying the NHS as a national service run by the state to provide free health care at the point of need. Instead it is set to become a fragmented and competing patchwork of services run by and for private investors waving chequebooks to get their claws into the health authorities that will yield them the highest returns. Healthy profits are more important than healthy people.

Opposition to the coalition

The full extent of the anger at this offensive in Britain has not yet been transformed into mass action on the scale

of Greece or Spain. Nevertheless, as in France, the right wing architects of the welfare slash and burn programme have been given a clear thumbs down by working class voters. In the May local elections the swing to Labour was – despite a low turn out – a resounding vote against the Tory-Lib Dem austerity measures by the workers. But a general election is not due until 2015. If we wait until then the Tories and the Lib Dems will have had another three years to do their worst.

What should we do in the meantime? The wrong answer, from Ed Miliband, is to fold our arms and wait for Labour

Miliband was asked to name which of the current government's cuts he would reverse. Instead of saying "all of them" he refused to name one

to come to the rescue in 2015. The rescue package Labour offers is hardly tempting. We are supposed to grin and bear the cuts being carried out by Labour councils and then gear up for a package of even more cuts once Labour is back in power – but maybe carried out at a slower pace.

Miliband was asked to name which of the current government's cuts he would reverse. Instead of saying "all of them" he refused to name one. Labour won't promise to make good any of the Tory damage. Miliband and Ed Balls won't commit to restoring cuts because, like the coalition, Labour believes the priority is doing exactly what it did at the beginning of the financial crisis in 2008 – bailing the banks out and then making workers bear the cost.

This explains why waiting for Labour is not an option. We need to fight the Tories now – in the workplaces, on the streets, in our community campaigns. And we need to fight them like we mean it – with direct action, with strikes, with occupations. We need a nationwide response to a nationwide attack; and we need an international fight back against the international coalition of bosses' governments that are united in their pursuit of austerity.

How close are we to being able to launch such a fight back? There isn't a simple answer to this question. The very nature of the political and economic situation – sudden and dramatic crises, changes of government, mass uprisings and mass movements that come and go – means we are near and far, seemingly at the same time. It is like someone caught in a tidal undertow. One minute you can feel the sea floor and move towards the safety of the shore, the next you are adrift and in danger of drowning.

There is much to inspire. The resilience of the Greek working class and youth, the militancy of the Spanish and Portuguese unions and youth, the upsurge of the Occupy Movement and of course the events of the Arab spring. Their actions can spark reactions and the situation could move quickly from desperate defence to heroic attack. But closer to home we need to look at the British trade union movement and ask whether or not it is fit for purpose in such a volatile world. Cameron wants to break Britain. Are the unions ready to break Cameron?

A conservative bureaucracy

During the years of the Labour government there were three major developments in the trade unions. The first was the reintegration of the trade union leadership into the mainstream. Following the defeats of the unions in

SOLIDARITY

Reviving the unions

WE HAVE to start by acknowledging that there is no single recipe for success in an effort to transform the unions, but there are certainly some basic and not so new ingredients that will be essential alongside recognition that the project of making the unions truly fit for purpose does not take place in isolation from other forms of resistance to austerity. Key internal reforms to fight for in most every union include:

- Regular election of all full time officials at national and regional as well as local level
- A cap on salary and benefit packages for union officials to bring their pay in line with that of the members who they represent
- Agreed term limits for all officials, with a mechanism for rapid recall in response to member dissatisfaction
- Regular publication in accessible formats of the debates and votes at union executive meetings and other decision-making bodies
- The right for democratically elected and recallable strike committees to oversee the conduct of industrial action.
- Breaking up the super-sized general unions into industrial and sector unions so that all who

work in one industry or sector – for example transport, education, health – are in single, not competing, unions

In addition, there is a desperate need at a local level to either revitalise or establish shop steward/local representatives' committees, as well as to invest real power in branch/workplace meetings to make policy decisions and initiate campaigns. In order to communicate with actual and potential members, activists can clearly make better use of social networks, websites and the like, but ultimately these are not a wholesale substitute for personal contact in the workplace, on housing estates and in the wider community.

Meanwhile, as potentially powerful as unions in Britain remain, it is also the case that union density has plunged to dangerously low levels in many workplaces and industries, even in parts of the ostensibly well unionised public sector.

Part of transforming unions also entails recruitment on the basis of collective struggle as opposed to the organisation simply being a service provider in the context of individual casework or a means to the end of obtaining discounts on holidays, insurance and mortgages.

This also means giving serious consideration and resources to organising among the unemployed. There are notable historical examples such as the Communist Party-led National Unemployed Workers' Movement, and while the terrain of struggle has undeniably changed the concept is not outmoded.

Finally, those determined to fundamentally change their unions must not only break down the destructive sectionalism that so often persists in Britain, but also seek to forge alliances with anti-cuts campaigns in localities.

This has, of course, happened spontaneously to some degree in some areas over the past two years, and occasionally a local trades council plays a useful role in bridging the gap between organised workers and those who rely on public services, though much more need to be done. Likewise, there are lessons, both good and bad, to be drawn from the record of the Occupy movement to date.

Undoubtedly, there will be tensions in developing these new relationships, yet the cross-fertilisation of ideas about organising methods and decision-making norms can ultimately be of benefit in creating a stronger movement against the Tory-led coalition and neo-liberalism's age of austerity.

the 1980s there was never going to be a return to the days when Cabinet ministers were regularly ensconced with union leaders, hammering out the details of policy before unveiling them to the world. These trade union leaders had long since accepted the lie that "union power" was the cause of every British ill from high inflation through to the dead remaining unburied.

Nevertheless, the Blair and Brown governments regarded these leaders as allies. They could be relied upon to keep order in the house when Labour drove through its own programme of "public service reform" and privatisation. As a reward they were consulted on issues, they were invited on to quangos and they were afforded a measure of involvement in the lower reaches of government via the Labour Party machine. They became comfortable again in society. "Tripartism" was no more, but there was room at the table for the odd tame bureaucrat.

This was more than enough to stop the leadership paying attention to the most pressing tasks facing the union movement – rebuilding workplace organisation, training a cadre of dedicated shop stewards, reaching out to the vast swathes of the working class in non-unionised workplaces, winning new members amongst the young and fashioning the organisations themselves into bodies that could act collectively to defend their members.

Instead the leaders carried on peddling the idea of "service unions". While they were getting cosy with the Labour government their organisations primarily operated as outfits to deal with the range of individual issues facing their members – from grievances and disciplinaries, through to cheap insurance and travel deals. Shop stewards would recruit on the basis of legal services offered such as "free wills" rather than on the basis of building working class collective power in the workplace.

But despite the bureaucrat friendly environment provided by the Labour government, the loss of members from the ranks amongst the major "service unions" – Unison, the GMB and Amicus (now part of Unite) – was too obvious to ignore. Loss of members meant that there would eventually be no one left for the officials to service. And given the bloated salaries of the bureaucrats – which range from £80k to £120k a year – this was a direct threat to their lifestyle.

Apart from a handful of unions the lesson the leaders drew from the erosion of their membership base was that they needed to merge. Though the trend pre-dated the arrival of New Labour in government, the bureaucratic marriage of convenience has been another key element in the response of union leaderships. The past 20 years have seen the creation of a handful of superunions, Unison in the public sector, the GMB straddling public and private sectors and Unite (formed from a merger of the TGWU and Amicus) mainly in the private sector, but with important enclaves in the public sector too.

These three unions comprise some 50% of the TUC's entire affiliated membership. They are cumbersome, highly bureaucratic machines with a bewildering array of sectors and groups. Their size and range make elementary solidarity difficult to build, as members from one sector will often be entirely ignorant about issues facing members

of another, and officials are often only too happy to keep things that way.

The leaderships' power is magnified by this very fact. Size does matter. It gives three general secretaries a decisive say in what happens right across the trade union movement overall. They can make or break anything from a strike through to a tribunal hearing at the click of a mouse. And their power, relative to ordinary members, let alone active militants, is enormous. So in the case of Unison, under its general secretary Dave Prentis, leading militants have frequently been expelled on trumped up charges with quite limited opposition.

• This internal concentration of power is a vital reason

Unite, under McCluskey, has recently steered away from the old emphasis on service provision for individual members and towards co-ordinated organising

why the major unions are ill equipped to fight Cameron. Any major battle with the class enemy threatens the peace and stability essential to the maintenance of the bureaucratic sand castle. So the leaders spend far more time keeping at bay any tide of militancy that threatens to wash those sand castles away. They devote most of their energy to managing their organisations as businesses rather than building them as fighting unions. Despite this the three big guns of the movement have struggled to maintain much less expand their memberships. And mass redundancies in the public sector are now threatening to further deplete their ranks.

Left unionism

The third major development under Labour in government was a shift amongst a number of smaller unions to the left. Not only did the smaller unions represent members amongst those hardest hit by Labour policies of productivity drives and privatisation – in transport, in government agencies and education – but the service union giants also marginalised them within the TUC. Both of these developments led to moves to the left in the rail union, the RMT, with the election of Bob Crow, the civil service union, the PCS where Mark Serwotka consolidated his position and the left came to dominate the leadership bodies and in the education unions, principally the NUT, where the rival left caucuses eventually won control of the executive.

Following the merger of Amicus with the TGWU the "broad left" also secured the leadership of the new superunion, Unite, when Len McCluskey became general secretary in November 2010. Some other unions had also become a recognised part of a more clearly defined left wing in the TUC – the fire service union, the FBU, the college lecturers' union UCU and the journalists' union, the NUJ.

The PCS and the RMT broke most decisively with service

unionism. They were involved in numerous disputes, they campaigned on a range of political issues and the RMT even found itself expelled from the Labour Party for donating money to the Scottish Socialist Party in 2004. The results were increased membership, increasing numbers of activists at a local level prepared to take on organising tasks in the workplace and, relative to the size of the unions themselves, a very high profile within and beyond the labour movement.

Unite, under McCluskey, has recently steered away from the old emphasis on service provision for individual members and towards co-ordinated organising drives, spearheaded both by a core of paid organisers and by

In 2011 trade unionism as a movement of mass direct action was reborn. The autumn and winter of 2010-11 witnessed a mass upsurge of student protest

new workplace activists or older ones re-invigorated by the union's move left. This drive has resulted in Unite organising community branches explicitly designed to recruit the unemployed, keep retired members active and draw in working class community support for the labour movement. This last initiative has outraged the right in the movement who are actively trying to block the drive to unionise the unemployed.

These were all welcome developments. They have not, however, tipped the balance of power within the movement away from the bureaucracy towards the rank and file. The left leaderships have either sold struggles short (PCS in the first round of disputes over pensions under Labour, Unite in the British Airways dispute) or held back from prosecuting struggles in the face of legal threats (the RMT). None of them have embarked on a root and branch transformation of their unions to place power in the hands of the rank and file. Rather they have favoured steadily building support for themselves in the union hierarchy by ousting the most right wing officials and replacing them with allies.

The failure of broad leftism

This is the traditional left gradualist approach to trade unionism, inspired by the Communist Party's broad left strategy. It relies on the election of left officials and their slow but sure capture of the existing bureaucratic machinery. Its weakness as a strategy has been revealed by the long and winding course of the public sector pensions dispute. This conflict had the potential to inflict a major defeat on the government and on the right wing of the TUC headed by its general secretary, Brendan Barber, but with its real power base in Dave Prentis' Unison and Paul Kenny's GMB.

At the first TUC after the coalition was formed the movement declared its opposition to the austerity programme.

Virtually no one was surprised that these stern words of opposition were not linked to any proposals for a fight back. The soon to retire TUC general secretary, Brendan Barber, was dubbed "the nice guy of trade unionism" by Dan Hodges in the Daily Telegraph. John Cridland, the director general of Britain's bosses' organisation the CBI, called him "the rational face of trade unionism". Hodges added, "Since Brown's defeat, Barber has instead been trying to keep his members from lunging for the throat of the prime minister."

Here was a man at the top dedicated to stopping trade unions from acting as trade unions. In 2010, though, there was a glimmer of hope. The PCS pushed for and won a commitment from the September Congress to co-ordinated strike action over the threat to public sector pensions. The resolution carried in 2010 committed the movement to the "co-ordination of union resistance to arbitrary attacks on good quality occupational pension schemes" and the "co-ordination of industrial action where appropriate and to fully support any workers forced to take industrial action in defence of pension rights."

Given Barber's stance – and behind him stood Prentis determined to prevent all-out co-ordinated action – the agreement in principle to at least consider such action was a step forward. But could words be turned into deeds? The government willingly provided the opportunity for this to happen with its austerity package as a whole and its specific attack on public sector pensions, which aimed to drive up workers' contributions, reduce the government's contribution, end final salary schemes and force up the retirement age.

What followed was a demonstration of the unions' potential, allied with the users of public services, to defeat Cameron and co. Unfortunately, it also demonstrated the union bureaucracy's refusal to do so.

The rebirth of mass struggle

In 2011 trade unionism as a movement of mass direct action was reborn. The autumn and winter of 2010-11 witnessed a mass upsurge of student protest. Occupations, demonstrations, battles with the police all raged as thousands of students, from schools, colleges and universities fought against the increase in fees and the abolition of the EMA. The struggle dominated the headlines and captured the imagination of trade unionists.

Alongside the student protests, an anti-cuts movement, based on local campaigns, grew up. Committees and campaigns in most every city and town besieged council meetings, took to the streets and mobilised many thousands against the cuts. Town halls became battlegrounds. And as Labour councils fell into line and imposed cuts packages, trade unions that donated millions to the party began to question their automatic allegiance to a political organisation that was carrying out devastating attacks on local communities.

This pressure led the TUC, after much dithering, to call a demonstration "for the alternative". On 26 March 2011 hundreds and hundreds of thousands of trade union members poured into London. Trade union branches sprang back into life to build the march. Trades councils grew



GMB members marching on the 30 March TUC demonstration against the cuts

in size and in number, and sometimes took the lead in co-ordinating fleets of buses to the capital. On the day itself perhaps a million people came together to say "no" to the cuts, far exceeding the predictions of Congress House bureaucrats.

Banners and placards from every part of the country let the world know that trade unions were everywhere. More importantly they gave everyone present a taste of what it meant to be part of a mass movement. People who thought that the borders of trade unionism stopped at the end of their town or workplace saw brothers and sisters from thousands of other workplaces packed together closing central London for a day. And from the platform at Hyde Park they heard Mark Serwotka call for the next day of action to be the co-ordinated strikes that the TUC nominally supported.

Naturally, the right wing leaders played down the scale of the march. They quickly issued a press statement giving its size as smaller than even police estimates. They joined in a chorus of condemnation of young protesters who had targeted tax-dodging companies on the day, blaming the youth for violence that had started as a direct result of police brutality. But most importantly, they did nothing with the movement that had revealed itself to be so strong and so angry on 26 March. They sent it home with a pat on the back instead of summoning it to further action against a government out to slaughter the public sector.

As the focus switched to public sector pensions and as the government's position hardened, the momentum for action across the public sector built up. It culminated in a massive strike on 30 June involving the PCS, the NUT teachers' union, the Association of Teachers and Lecturers (ATL) – a teachers' union that had never been on strike in its entire history – and the college lecturers of the UCU. Over 800,000 struck on 30 June, showing once again that

trade unionism was alive and well. It was so alive and well that the government raised the issue of introducing tougher anti-union laws to ban public sector workers from striking.

The 30 June strike took place while negotiations were continuing with the government over pensions. The government was using divide and rule tactics in the negotiations designed to isolate the PCS in particular. That was clear to everyone involved. The response should have been a public sector wide general strike.

Instead, Unison and the GMB used the fact that the, by now utterly pointless, negotiations were continuing as an excuse not to join the strike. In a nutshell they were helping the government in its efforts to isolate the PCS. So, while thousands got ready to fight Unison told its members to "wait and see". In a branch circular the leadership wrote:

"It is important that Unison members understand that negotiations on pensions are still taking place with the government through cabinet office minister Francis Maude and chief secretary to the Treasury Danny Alexander. These negotiations are expected to conclude at the end of this month, but are likely to be followed by sector specific negotiations regarding proposed changes on individual pension schemes that would be held in national sector negotiating bodies. Once these specific negotiations have concluded the outcome will be considered by the relevant Unison Service Group Executives and the NEC Industrial Action Committee."

This was hardly a call to arms, let alone a call to members to build solidarity with those who were striking on 30 June. The real reason why Prentis was holding his members back from action was because he wanted to avoid getting drawn into any strike action. Together with Barber and Kenny they were hoping that negotiations would result in

them getting a deal which they could then use as a stick with which to beat the PCS and the education unions. And by doing this they gave Labour the green light to denounce the 30 June strikes with Miliband announcing, "these strikes are wrong at a time when negotiations are going on".

But Unison and Miliband had miscalculated both the public mood – which despite hostile media coverage was sympathetic to the strike – and the mood of the members who were up for the fight and came out in droves. The number of young teachers and civil servants who picketed and marched that day was a key feature of the day. They showed that public sector workers by closing schools and courts, and disrupting the bosses' border controls could cause real problems for the government and employers. The bureaucrats had also miscalculated quite how intransigent the government was because by the end of the negotiations they came away with next to nothing by way of concessions. The strikers on the other hand could turn around and say – we told you so!

So, by the time the TUC congress came around in September 2011 it unanimously agreed to "give full support to industrial action against pensions cuts, including action planned for this autumn, and maximise its co-ordination." The date set for the industrial action was 30 November. Part of its preparation included a huge march in Manchester at the Tory Party conference in early

October. Despite it receiving little publicity, including from the TUC itself, up to 30,000 turned out, especially from the north west. The rise of the unions as an active player in politics – after so many years in retreat – was confirmed once again.

In most major towns and cities union branches were revived, as building for 30 November became the focus of activity. Meetings were held, marches were planned, and events to link up the strike with the activities of the emerging Occupy movement were designed. On the streets the public were deluged with leaflets explaining the reasons for the strike as activists prepared to counter the anti-strike propaganda that poured out of the mass media sewers. Above all the mass of the members were won over to support the strike – now with over 20 unions involved – so that it would be solid on the day.

And it was. It may have been a public sector general strike but in many areas it had the feel of a true general strike across the whole economy as delegations of private sector workers joined the picket lines and marches, and students deserted the colleges after closing them down. It was a momentous day and marked the high point of trade unionism's resurgence. The whole of 2011 had been marked by this resurgence and when the 30 November strike took place confidence seemed – at least for the moment – reborn.

One anonymous union leader was quoted in the press

UNISON

After the great pensions demob

GENERAL SECRETARY Dave Prentis had promised delegates at Unison's 2011 national conference "the fight of our lives". For Prentis and his senior officials, this evidently consisted of a single day of strike action on 30 November. After pushing for and obtaining the backing of all the union's relevant service group executives (in one case by the narrowest of margins) Unison's senior bureaucrats were hopeful that members would passively acquiesce and accept the proposals for substantially worse pension schemes.

Among the health service membership they got something of a shock as a slim majority of members said "no" to the NHS deal despite officials in at least three of the union's 12 regions attempting to block branch activists from campaigning for rejection.

In the union's largest service

group, local government, activists pushed for a special conference to debate the pensions dispute and the so-called "heads of agreement". This required branches with memberships equivalent to 25% of the total Unison presence in local government to back an identical motion in the space of eight weeks.

The objective was to block an attempt to railroad a ballot and short-circuit democratic debate. In the event, the required resolution mustered support from branches representing an impressive, but insufficient, 20% of the total.

Unison and the other recognised unions (the GMB and Unite) signed off on a deal with the local government bosses in early February, which was then subject to approval by HM Treasury and Eric Pickles' Department of Communities and Local Government. Three and a half months later there is still no

official confirmation that the coalition has accepted the new-look local government pension scheme as satisfying its demands for cost-slashing.

Even as the unions' senior negotiators, led by Unison's Heather Wakefield, are taken for mugs, the membership – including elected members of national committees – still don't know the detailed content.

As an ironic result of the coalition's likely attempt to wring yet more savings out of council workers, the start of Unison's local government conference on 17 June approaches with no done deal and at least an outside possibility of actually reviving the pensions dispute among members.

What is not yet known, however, is whether there will still be a last minute attempt to launch a ballot and move to pre-empt any debate at the conference.

as saying: "Even if we wanted to hold back the members, we couldn't. We're having to do everything we can to keep from being left behind."

The unions showed they had the power to break Cameron after all. But would they use that power? The answer came swiftly – and it was no.

The scale of the 30 November action made the government realise there was real potential for strikes to beat back their pension plans. But as long as that action remained piecemeal – one day strikes at long intervals rather than a determined campaign of escalating strike action leading to an all out struggle – they believed that the dispute would run out of steam. A move towards more regular, and more effective, action was the danger they had to avoid. As a result they offered to resume negotiations and offer some cosmetic changes to their overall package. The key features of their attack, however, remained part of their offer.

The scale of action on 30 November had also made the right wing bureaucrats realise that they needed to move back to negotiations so as to avoid the dispute becoming an all out fight with the government – a prospect that they and their friends in the Labour leadership feared because of its potential impact on middle class "floating voters" who would be scared into believing that "mob rule" by the unions was just around the corner.

By Christmas Unison's leaders were busy telling the rest of the movement that the government had shifted and that the new "heads of agreement" provided a basis for the resolution of the dispute on a sector by sector basis. And where Unison went a whole number of other unions followed, signing up to the "heads of agreement", getting into talks about the cosmetic changes and taking industrial action off the agenda. Brendan Barber was at the forefront of this switch away from action and towards talks.

According to Dan Hodges at the Telegraph, "Barber has personally led the tortuous cabinet negotiations on pensions, leading the monthly delegations to the Cabinet Office. 'Obviously we're not quite there yet', said one TUC source, 'but we've come a hell of a long way, and a lot of that is down to Brendan'."

We have come a long way indeed – away from the mass action and a powerful demonstration of trade union strength on 30 November. We now find ourselves in a situation where, on 10 May 2012, instead of having over 20 unions out on strike only the PCS, the Unions of the Health sector and sections of the UCU came out. Unison, the GMB, the other education unions and all the rest had become embroiled in sector by sector negotiations with a government refusing to budge an inch on its fundamental proposals. The NUT leadership sat on its hands, formally opposing the pension reforms, but doing nothing on the day with the executive meeting the very same day and voting by 24-16 to abandon any further action on pensions this school year.

Indeed, it was so obvious to Unison health workers that the government hadn't budged that they voted against the offer put to them. Yet Prentis refused to call them out on 10 May and instead referred matters to the NHS staff council. Unite health workers found themselves picketing hospitals where Unison members agreed with them but were

instructed not to strike by Unison leaders. (Remarkably, the GMB's 30,000 members in the NHS pension scheme returned a thumping 96% "no" vote on a 60% turnout when balloted on the proposals in May).

This line of march by the right was to be expected. Many had predicted that Prentis only came on board for 30 November in order to stab the movement in the back more effectively. But why did other unions, notably the NUT with its left leadership, effectively go along in practice after apparently rejecting the great pension sell out pushed through by Unison?

The politics that led the NUT leaders to refuse to come out on 10 May – and to refuse to support the PCS proposal

Week in and week out hundreds of sparks, other building workers and their supporters would mount early morning demonstrations and occupations

for a follow up strike on 28 June – are the politics of "broad leftism" outlined above. Having captured the machine, the leadership are now more concerned with preserving that machine's smooth functioning and their place within it than in conducting a struggle with the class enemy.

They have refused to use their leadership positions to initiate the transformation of their union, to lead the mobilisation of their members, to place real control of both the union machine and the pensions dispute in the hands of the rank and file. The sorry reality is whatever their intentions in earlier times they are behaving in the time honoured fashion of typical union bureaucrats – avoid a strike at all costs and then sell it out or sell it short if the members insist on going ahead.

Their excuses are laughable. They are "waiting until autumn" before deciding on more action because they want joint action with the NASUWT (the other main, slightly smaller teaching union). Of course by the autumn there is a real possibility that the campaign will run out of steam and that the NASUWT will decide not to strike – the NUT leaders know this very well.

Besides it was the NUT's willingness to take action with the PCS in June 2011 – in the teeth of opposition from the right – that forced the other unions' hands. An NUT strike in June made the NASUWT take action in November. All this rather suggests that the NUT leadership – and it remains to be seen if the UCU leadership will follow suit – are now using the "we must fight together" argument as a pretext for not fighting at all. As a PCS member said in response to the NUT decision on 10 May, "Sometimes you have to stand alone just to prove that you can still stand at all".

The danger is that as the dispute progresses, the PCS may well find itself more and more isolated and will be forced to retreat and enter negotiations that will spell the final defeat of the pensions struggle. Though the PCS should surely have called for action on 28 March when

NUT members in London and UCU members nationally did strike, it is to the credit of the PCS leadership that so far they have continued to push for action. Their best hope of salvaging something is to consider stepping up their campaign and hammering the government by pulling out all border control staff during the Olympics, all benefit staff involved in preparing for the launch of Universal Credit, all Passport Office staff during the height of the holidays. Of course, it remains to be seen if the PCS executive would be prepared to endorse such a course of action.

So where does this all leave the movement? Gains and losses

The gains that have been made through 2011's "year of the unions" are real. If you are a union activist at work you will know that winning arguments and winning members has been easier over the past 12 months than it has at any time in the last 15 to 20 years. Trade unions have reasserted themselves as a result in a number of workplaces.

Moreover, the year has seen signs of a real renaissance of rank and file activity. In the NUT itself local associations outraged by the leadership's are organising a fight back meeting in Liverpool in June. Militant trades councils acting as support centres for workers in struggle have grown in numbers and in size over the past year.

In the construction industry electricians and associated trades came together for weeks on end from autumn 2011 until this spring in a massive rank and file campaign to defeat the attempt by the construction giants to rip up agreements and drive down wages and conditions. Week in and week out hundreds of sparks, other building workers and their supporters would mount early morning demonstrations and occasional occupations of key construction sites at London Blackfriars and King's Cross as well as major projects in other cities and towns. Workers even staged a brief sit-in at the central London headquarters of the contractor, Gratte Brothers. Wildcat action, direct rank and file communication and co-ordination, a willingness to use both new technology and the old fashioned tactic of flying pickets forced seven major

employers, including the crucially important Balfour Beatty, to abandon their original plans and return to negotiations.

The so-called sparks' dispute wove together strands of militancy dating from the late 1990s and the unofficial actions by workers on the Jubilee Line extension to the tube through to the Lindsay oil refinery dispute of 2009. There were undoubtedly industry specific features of this dispute and of the rank and file networks that led it, but the ideas generated, of rank and file militants linking up and doing things for themselves should nevertheless inspire workers in other industries and sectors.

The very term rank and file organisation is taking on more substance as a result. The militancy displayed led to Unite's officials stepping in and attempting to reassert control through an official ballot for national strike action, but in itself this did not lead to a demobilisation of the campaign.

The bureaucracy though still has the balance of power in their favour. Their patronage plays a pivotal role in what happens in every locality and branch. The pressure they can bring to bear – as we have seen with the NUT – can turn fire-breathing left wingers into sleepy office holders who hate the rude awakenings that strikes bring. Their decisions will determine whether a campaign becomes a lifeless rump fought over by "the same old faces" or a going concern with the resources to attract thousands to its ranks. And above all they retain the capacity to betray struggles as and when it suits their needs.

So long as this bureaucracy retains its grip the unions will almost certainly not break Cameron. Overcoming the problem of the bureaucracy is the principal task facing all militant union activists in the years ahead. The way in which this is carried out will vary from union to union. The problems facing PCS and RMT militants are decidedly different to those in Unison or the GMB. But the goal – the eradication of bureaucracy through rank and file democracy and the creation of fighting working class organisations remains the same in every union. The question remains of how to achieve such a dramatic change when time is ever more of the essence.

AUSTERITY AND RESISTANCE

The European cauldron

The Greek elections have thrown the European Union and the Eurozone into crisis. Keith Harvey argues that this summer is make or break time for the single currency

GREECE IS key to the fate of Europe. Despite being a small nation state and accounting for a mere 2% of the region's GDP, its dire economic crisis and turbulent political situation threaten to destroy the foundations of the European Union (EU).

After four years of declining output the IMF predicts further recession in Greece and no growth at best next year. This year Ireland and Spain will join Greece in recession. Indeed, the whole of the Eurozone barely grew in the first quarter of this year, and only escaped recession as a result of moderate growth in Germany.

Unemployment in the EU is at a ten year high. The proportion of young people between the ages of 15 and 25 who are now without a job is 51% in Greece and Spain, 36% in Portugal and Italy and 30% in Ireland.

As Martin Wolf, the chief economic commentator of the Financial Times, said after the Greek elections on 6 May: "For many countries no plausible exit exists from depression, deflation and despair."

Moreover, the strategy of maintaining pro-market, pro-austerity regimes in the Eurozone, governments determined to enforce austerity on the people, has been transformed by a series of elections in the last year, which have seen eight such governments turfed out.

In Greece, anti-austerity parties received 70% of the vote in the May elections. François Hollande, pushing his "growth agenda" against pro-austerity Sarkozy, won a

clear majority in the French presidential elections. This badly weakened the core Franco-German austerity-based united front in the Eurozone, thereby undermining Merkel's "no compromise" policy towards Greece. June parliamentary elections in France are likely to consolidate this trend.

Opinion polls indicate that if elections were held today in Denmark, Eurosceptic parties such as the Freedom Party of the anti-Muslim populist Geert Wilders, and the far left Socialist Party would take as much as one third of the seats in parliament. In Ireland a referendum at the end of May may well refuse to endorse the austerity pact agreed between Eurozone leaders earlier this year.

Naturally, political polarisation and instability shreds financial market nerves. Oscillating between jitters and panic the markets demand a higher premium to insure against the risk of a Greek exit from the euro and the contagion spreading to other, larger and more significant southern European debtor countries – Portugal, Spain and Italy.

If they fear the imminent collapse of the euro and all head for the door at the same time then the panic threatens to overwhelm the ability of the European Central Bank and Germany to contain the crisis.

A break up of the euro into smaller blocs would send the continent's economy into a tailspin by fracturing the single market, and thereby shrinking trade and investment.

The generalised depression would slaughter jobs, wages and welfare and in turn signal a new sharp polarisation between right and left and put millions more onto the streets as demonstrations, mass strikes, riots and uprisings seek to force governments into an abrupt U-turn.

Greek tragedy

Greece is mired in economic depression. Official forecasts in late May estimated that the economy, in the fifth consecutive year of recession, would contract by a worse than expected 5% this year. Between 2007 and 2012 its

Spain is another train wreck waiting to happen. And if it comes off the rails in the wake of a Greek exit from the euro it could bring the Eurozone crashing down

economy is expected to have shrunk by almost one-fifth, on a par with some of the worst experiences of the 1930s.

The list of the attacks Greek workers have suffered at the behest of the EU leaders is startling: a 22% cut in the minimum wage (32% for those under 25); the level at which people start paying income tax has been reduced to €5,000 a year; some 150,000 public sector job cuts are under way and 15,000 public sector workers have already been put into a "labour reserve" accompanied by wage cuts of 40%. On top of this €50bn worth of state assets have been or are being privatised. Meanwhile, the health service budget has been slashed by €1bn, and €300m worth of pension cuts have been pushed through with people experiencing losses of between 12% and 20% of their monthly entitlement.

This misery is a direct result of several things. First, the huge build up of government debt over the last 15 years in Greece was unsustainable. But despite the Merkel-inspired explanation that this was all the fault of the Greeks, the truth is that Germany was willing to turn a blind eye to the true state of Greece's public finances a decade ago when Germany was keen to usher the country into the single currency. It endorsed the fictitious accounts of the government budget which hid debt from view despite the warnings from many Brussels Eurocrats. And it kept quiet about the desperate corruption of the Greek political class and the ability of the rich there to avoid paying taxes at will.

Secondly, Brussels and Germany were happy to endorse the huge government borrowing by Athens in order to re-equip its armed forces with the latest, if unneeded, death-dealing technologies, as a way of filling the order books of European arms multinationals. Still less did they complain of the ridiculous sums of money spent on the infrastructure (and bribes) in the years leading up to the 2004 Olympic games in Athens, most of which now lie rotting and boarded up in the suburbs, a fantastic Olympics legacy, a monument to hubris and corruption.

The 2008 global financial crisis called time on this and serious accounting had to begin, especially as more money was poured into the financial system to shore up Greek banks and pay interest owed to other EU banks.

When the final bill for this profligacy was laid on the table it was no surprise that it was not the corrupt politicians of Pasok and New Democracy, or the fat cat construction tycoons and shipping magnates that bankrolled them who paid the price, but ordinary workers and the middle class.

The people were subjected to a severe withdrawal of credit, wages and benefits. Greece's government's budget balance before interest payments on debts was cut by 8% of GDP between 2009 and 2011. Yet the outgoing Greek government earlier this year committed itself to a further reduction of nearly 7% of GDP by 2014 – to give Greece a primary budget surplus of 4.5% of GDP.

This means forcing through a further package of "reforms" and spending cuts worth another 5.5% of GDP. And, moreover, this squeeze would need to be maintained right up to 2020 just to bring its debt down to the levels at which Irish and Portuguese debt is expected to peak in 2013.

In short, after five years of massive cuts and recession, all the Greek people were promised in the May election by Pasok and New Democracy was a further eight years of economic depression. Not surprisingly they said no.

Spain

Spain is another train wreck waiting to happen. And if it comes off the rails in the wake of a Greek exit from the euro it could well bring the Eurozone crashing down, since the country is Europe's fifth largest economy.

Spanish capitalism's path to misery was not the same as the rest of southern Europe. Unlike Greece, Portugal and Italy, Spain's government did not load up on debt in the boom years after 2003. The Spanish government ran a balanced budget on average until the eve of the 2008 financial crisis. And as Spain's economy grew rapidly before 2008 (3.7% per year on average from 1999 to 2007), its debt ratio was falling.

But during the boom Spanish consumers binged on cheap loans which fuelled a housing bubble.

House prices rose 44% from 2004 to 2008, at the tail end of a housing boom. Since the bubble burst, they have fallen by 25%, the construction sector nose-dived and the whole economy went with it. To fund the rise in unemployment payments and the collapse in its tax base the government borrowed big in 2008-10.

But then the Socialist Party Zapatero government launched its austerity drive. And when he was replaced in December with the right wing PP government led by Mariano Rajoy the cuts were doubled and quickened. The result was the same as in Britain, a return of the recession. GDP shrank in the first quarter of 2012, pushing Spain into recession for the second time in two years. The economy is expected to shrink by 1.7% overall in 2012. Another 366,000 people lost their jobs in the first three months of the year, bringing the total unemployed to 5.6 million, the highest on record, at 24%. More austerity is

planned. Tax rises worth at least €8bn are planned next year, which will hit consumers further.

Faced with a decline in output naturally the debt burden gets greater, putting further strain on the country's bank massively burdened with bad debts stemming from the housing collapse. Standard & Poor credit rating agency has downgraded Spain and 11 of its banks. On 18 May, credit ratings agency Moody's cut its ratings for 16 Spanish banks, reflecting the heightened risk of them suffering huge losses if property loans are not repaid.

Many analysts believe that the banks have not sufficiently written down the value of the housing stock they have on their books and when they are forced to this will deepen the banks' crisis immeasurably, putting huge strain on Spain and the Eurozone's bail-out funds. Overall, banks are estimated to hold about €308bn in property loans, of which €184bn are considered to be "toxic".

Default, exit and contagion

The results of the Greek elections in June will have a major impact on the future course of the crisis. There are three scenarios. First, and most unlikely, a stable pro-austerity coalition emerges that ratifies the existing agreement. Given the opinion polls suggest even fewer votes on 17 June for Pasok and New Democracy (and neither finishing with most votes and hence 50 extra seats) this is unlikely. Even if a minority government were to emerge from post-election discussions it would only set the scene for a renewed upsurge of rebellion on the streets to unseat the illegitimate regime with no mandate for continuing the attacks on jobs and welfare.

Secondly, a majority of seats in parliament may go to Syriza but not enough to form a government on its own. This is quite likely. In this case the anti-austerity but pro-euro party would find it difficult to strike an agreement with the Greek Communist Party (KKE) which would demand a swift exit from the euro as the price for joining any government, even in the highly unlikely case the aged Stalinist leadership could overcome its virulently sectarian stance towards others on the left.

In this case it would seem that Syriza's leader, Alexis Tsipras, would have to draw upon other parties around the idea of mitigating the "bail-out" package without renouncing it entirely. Exploiting the changed balance of forces between Germany and France, and the untold damage to the rest of Europe caused by a disorderly Greece exit from the single currency, Syriza may be able to fashion an agreement with Brussels that involve a longer time period to meet deficit targets, extra funds to stimulate domestic growth and support the unemployed etc. But this package would then have to be sold to those who supported Syriza. Since a huge number of Greeks (more than 80%) insist they wish to retain the euro (while abandoning the austerity agreement) this may well be possible.

Thirdly, of course, the June elections may broadly reproduce the outcome of the first elections and once again result in fruitless negotiations to form a government, even a "technocratic" one in the mould of Monti's administration in Italy. In this case the chances of a disorderly exit and default on debts increase as the deadline approaches

and passes for the next tranche of EU funds to go to Athens; although commercial banks have long ceased any new lending to Greece in any significant way, one could expect the run on Greek bank domestic deposits to accelerate bringing the crisis to a head.

In 2009 there were some €245bn in such deposits; they were down to €163bn by mid-May this year – a one third decline. In the week following the inconclusive May elections more than 2% of the total remaining were withdrawn. As more and more people fear their Euros being forcibly turned into drachmas overnight with a 50% plus reduction in their value, a mass stampede will ensue in

Will the financial chaos that ensues bring about a collapse in trade, investment and output on the scale of 2009 in the aftermath of Lehman Brothers' demise?

the climate of uncertainty and the solvency of the Greek banking system will be put in question.

It has to be remembered that Greece was ruled by a military dictatorship as recently as 1974. In any bourgeois democracy, the army and the special police, the agents provocateurs and spies all stand ready to intervene and "restore order", or to "come the rescue of the nation" when the capitalist regime is threatened with collapse and a challenge from below. A deepening of the economic crisis combined with a paralysis of bourgeois constitutional politics in Greece could well see the military step from the shadows once more.

Finally, an anti-austerity government could be formed which renounces in toto the EU troika package, prompting the ECB to refuse Greece further funding. What then? It is possible that such a government would not have sufficient money to pay the wages, benefits and pensions of the public sector workforce. It would certainly not have the money to pay the interest on its outstanding debts, forcing it to default. This would lead to what is called a "Grexit" from the euro as the government abandons the strategy of internal devaluation by means of lowering wage costs, reform of the labour markets etc. In its place a new strategy for growth would mean a new devalued currency that seeks to restore growth through more competitive exports and a revival of domestic industries which produce goods to replace the now unaffordable imports.

The Eurozone in doubt

The cost of such a wrenching, dislocating economic strategy in the short term at least for Greeks would be high. But what would be the impact on the rest of Europe and by extension, the world? Will it lead to a series of bank failures throughout the rest of the EU where they are exposed to Greek debt? Will it lead the financial markets to target the next "weakest link" in the sovereign debt chain – Portugal, Spain, Italy – massively raising

borrowing costs and testing the ECB's firewall to destruction and hence to the end of the euro? Will the financial chaos that ensues bring about a collapse in trade, investment and output on the scale of 2009 in the aftermath of Lehman Brothers' demise?

The truth is everyone speculates but no one knows for sure. But a few facts are clear. First, since the 2008-9 crisis banks have taken steps to mark down their bad debts

It was a very clear class vote, with Syriza receiving the backing of many of those hit hardest by the economic depression inflicted on the country

(especially to Greece), build up their reserves and reduce their exposure. For example, French banks wrote off €8bn in Greece-related losses last year. As a result Greece now owes about €100bn to other European central banks.

In addition, the ECB has already dispersed €161bn of the bail out fund, while it also holds €56bn in Greek government bonds. Commercial banks outside Greece also hold about €55bn in government bonds and the IMF has lent the government €22bn. Cross-border loans to Greek firms and households stand at €75bn. But now no one lends to Greece any more.

One JP Morgan estimate suggests the immediate costs to the Eurozone banks of a Greek exit would be about €400bn as all debts are renounced, roughly half on commercial banks and half on the ECB and other EU central banks. In principle this could be absorbed by the €750bn firewall set up last year – the European Stability Mechanism (ESM – from June this year) and European Financial Stability Facility (EFS – to succeed the ESM in 2013).

But if the markets decided to withdraw deposits from Italian and Spanish banks, sell Italian and Spanish bonds and hike the cost of lending to their governments (already Spain pays a 4% premium on loans above the costs of lending to Germany) to an unbearable level – then would the ECB be able or willing to intervene with funds on the scale necessary to shore up their financial systems? Italy's bank deposits stand at €1.4tn as of early May and those of Spain €1.6tn. In the year from March 2011 Spanish banks saw 4% of those withdrawn: what happens if it becomes 40% in a month or a week?

Last autumn the ECB doused the flames of the latest bout of bank solvency panic by lending 1tn in cheap long term loans to the regions' banks (in return for collateral) so they could refinance maturing debt, the so-called longer term refinancing operations (LTRO).

In the case of a Greek exit and default the ECB would need to issue a new, larger round of LTRO. But more than a sticking plaster would be needed to prevent the crisis escalating and triggering a domino effect on the regions' weakest member states leading to the end of the single currency, or at least its shrinkage to a rump northern European core.

In all likelihood it would require a qualitative leap in the degree of fiscal and monetary union within the Eurozone/EU in order to avert a break up of the euro bloc. What would that mean?

It would mean the ECB (with Germany's pressure and consent) adopting all those measures of centralisation and burden-sharing that it has refused to contemplate to date: slower fiscal adjustment in the most indebted countries, more investment, looser monetary policy to promote growth and a bigger financial firewall to prevent or limit contagion; the adoption of a Euro-bond to mutualise pan European debt, and the setting up of a Europe-wide mechanism for regulating and bailing out banks.

Once again, a severe crisis becomes the catalyst for change. But the direction of that change – either towards a more politically and economically centralised Europe with more sovereign (if unaccountable and undemocratic) pan-European institutions; or backwards to a fractured, fractious and depressed collection of nation states – depends on the clash of political forces.

The playing out of ideological, national and class interests between Europe's bourgeois parties and the imprint of Europe's masses on the streets will shape the final outcome.

Greece – how to combat catastrophe

The results obtained by Syriza in the May elections is evidence of a marked shift to the left in large, important swathes of the Greek workers. The left coalition's vote multiplied four-fold on its 2009 results. Syriza came top in Athens with more than 20% of the vote. In the capital it gained most votes for those aged between 18 and 35, among the unemployed and public sector employees and in all the popular neighbourhoods. The total percentage of votes gained by the whole left was 32.56%, a record high, surpassing the 25% achieved in 1958.

It was a very clear class vote, with Syriza receiving the backing of many of those who have been hit hardest by the economic depression inflicted on the country by the ECB, IMF and the establishment parties of Pasok and New Democracy.

Syriza is a coalition of large and small radical parties, dominated by the largest section Synaspismos, which Alexis Tsipras heads. This grouping evolved out of a Eurocommunist, social democratic trend within the KKE in the 1990s. But various far left and ecological groups are part of the Syriza mix.

Its platform can be summarised in a few points:

- » The immediate cancellation of all impending measures that will impoverish Greeks further, such as cuts to pensions and salaries.
- » The immediate cancellation of all impending measures that undermine fundamental workers' rights, such as the abolition of collective labour agreements.
- » The immediate abolition of a law granting MPs immunity from prosecution, and a reform of the electoral law and a general overhaul of the political system.
- » An investigation into Greek banks, and the

THE POLITICS OF AUSTERITY

Are they just stupid?

► “AUSTERITY ISN’T working”. This is the cry from the heart of many commentators and economists from both the right (Martin Wolf of the FT and Simon Jenkins), through the liberals (e.g. Paul Krugman in the New York Times, the Guardian’s Polly Toynbee) right through to the Labour Party’s frontbench.

This is self-evidently true – if by “not working” is meant austerity is not promoting growth and creating jobs and raising the consuming power of the mass of wage earners.

Martin Wolf recently reviewed the empirical evidence from the historical record of crises and concluded: “There is no evidence here that large fiscal contractions bring benefits to confidence and growth that offset the direct effects of the contractions. They bring exactly what one would expect: small contractions bring recessions and big contractions bring depressions.”

And indeed, with depressions and recessions the debt burden gets worse as GDP falls more than debt does. So after several years of this medicine Eurostat, the EU’s statistical agency, in April this year announced that the public debt of the Eurozone’s 17 governments rose last year to 87.2% of gross domestic product, the highest since the Euro’s launch in 1999.

Of course, the architects of austerity did not alert the people of Europe to this possibility. On the

contrary, they promised that “fiscal tightening”, (tax rises/spending cuts) would lead to cheaper borrowing and thence to a rise in private sector investment that had been previously crowded out by “a too-large state”.

But that refrain is, simply for the birds, or electoral propaganda.

The simple truth is that there are ample funds available globally for investment purposes without having to rely upon government borrowing. The cash reserves (accumulated profits) of the large global companies have mushroomed during the last ten years or so.

The reserves of non-financial companies are huge – €600bn in the UK alone and €1.7tn globally. Why do these companies not invest it? Simply because they cannot do so at profitable enough rate (compared to sticking it in long term bonds or riskier hedge funds) given the uncertainty surrounding future market conditions. What would encourage them to open up their corporate wallets? If productivity and rate of exploitation were to improve.

Part of the reason for the earlier rebound of the US economy since 2010, weak as it is, is that the 2008 crisis led to a deeper and sharper fall in wages and costs.

Productivity has improved so much in the US during the crisis that the same output is now being generated as in the pre-crisis peak of 2007 but with five million fewer

workers and lower real wages.

Europe is a tougher nut to crack, with its accumulated gains in working conditions, employment protection, national pay bargaining and so on. The ambition of austerity politicians is to use this once-in-a-generation crisis to rip all this up US-style and so lay the foundations for a renewed cycle of profitable investment.

Hacking away at state spending, laying waste public sector workforces (and their stronger unions) and cementing all this in with legal changes to pay bargaining, the right to sack etc is what this crisis is about, which will also allow for major reduction in taxes on profits.

Until they have done their work the austerity politicians are not going to listen to the siren calls of Keynesian wimps to let up and throw cash out of helicopters to kick start consumer spending. Higher wages will either have to come from state coffers (which will worsen debt, raise the cost of borrowing and debt repayments), or from private firms which will increase costs and deter investment before the recession has done its work.

Any strategy for fighting back has to demand that taxes on firms are raised, that idle profits are sequestered to kick start public investment and job creation. But this should be done under the banner of making the rich and powerful pay for their own crisis not under the flag of capitalist self-interest.

immediate publication of the audit performed on the Greek banking sector by BlackRock. The nationalisation of large parts of the banking system.

- The setting up of an international auditing committee to investigate the causes of Greece’s public deficit, with a moratorium on all debt servicing until the findings of the audit are published.

All these demands are progressive and radical. They would also bring a Syriza-led government into direct conflict with Greece’s ruling class, its shipping magnates and bankers who have bankrolled the two establishment parties for

decades in return for allowing them not to pay tax and to find prominent positions in the government for their family members and business associates.

In the weeks and months ahead it is crucial that the broadest possible united front of the working class, the urban and rural unemployed, especially the youth, and the beleaguered immigrant communities is established. This can provide the class foundations and defence for a workers’ and poor farmers’ government that should be formed out of all workers’ parties that emerge from the 17 June elections. This should include the representatives of the KKE.

The activists of Syriza and Antarsya, (a bloc of small far left parties), must explore every avenue to win rank and file members of the KKE and their trade union supporters into active co-operation with the other left forces at this time of acute social and political crisis.

But it is not only the radical left that has been boosted by the election results. Prospering from the despair created by the three years of recession and attacks, the far right too have gained a new audience for their poisonous message. The left cannot turn its back on this threat.

The fascist Golden Dawn received nearly 7% of the vote, which has allowed 21 MPs to enter parliament. This in

austerity and restores wages and job cuts as well as freezes debt repayments then the ECB will turn off the external funding and provoke a new phase of the crisis.

In the immediate aftermath of an exit from the single currency and the re-adoption of the drachma there would be a huge devaluation that would make imports very expensive; they would dry up, causing shortages and inflation. Any attempt to print money to create jobs and put spending money in the hands of the workers could lead to a fast inflationary spiral, even hyperinflation. The bankers owed money across Europe would attempt to seize Greek assets, imposing a virtual blockade on the country.

In this scenario it is critical that a workers' government does three things immediately. First, impose capital controls to prevent the banks and the wealthy taking their wealth abroad. Secondly, expropriate the key areas of wealth production: the major shipping firms, the banks, the key industrial sectors. By taking the major wealth of the country into its hands the government can plan an emergency action plan to create jobs and combat shortages. But the workers must be brought into the process of democratic planning. The inevitable hardships, shortages and slump in consumption demands that the working class decides on the key priorities in an era of retrenchment including rationing and a programme of public works. So, thirdly, a job creation plan based on import substitution would be a key priority. This would be the answer to those seeking a purely capitalist solution by making Greek labour more competitive in export markets once the country has abandoned the euro.

The optimistic comparisons made by left nationalists and the KKE with Argentina's economic fate after it abandoned its currency peg with the US dollar in 2001 are light-minded. The Argentinian government's default on its foreign debts and breaking of the peso-dollar parity in fact led to two years of wrenching economic depression, with a sudden huge rise in unemployment and a confiscation and devaluation of millions of people's savings. More importantly, Argentina was able to climb out of this depressive hole by re-orienting its massive agricultural and resource sector to the booming markets of China and the rest of Asia in the global boom years after 2003.

Greece has a very different economy and it has no such benign scenario ahead of it, surrounded as it is by a stagnant EU and slowing economy in the rest of the world and with few tradeable resources left to exploit more intensely.

A final key element of any emergency plan by a workers' government after the June elections would be a campaign to enlist international solidarity from the European labour movement. Beyond any marginal material assistance it could bring to bear on the domestic situation inside Greece, the European labour movements can best help by mass direct action against their own austerity governments which in turn could tip the political balance of power against the neo-liberal hegemony that currently holds sway in Europe.

Syriza has been borne up on a wave of hope that Greek workers can rip up the austerity programmes while maintaining membership of the Eurozone

turn gives it access public funds to finance its reign of terror on the immigrant communities in the inner-city areas and to plan its attacks on socialists, trade unionists, ecologists and feminists in the months ahead. Preying on the fears and insecurities of the poorest and least organised layers of Greek society, Golden Dawn's attractiveness will diminish if a militant united bloc of anti-fascists stands up to it, defends workers' centres and immigrant communities from attack and confronts it on the streets whenever it tries to peddle its poison or terrorise the neighbourhoods.

Alongside such militant anti-fascism, the voting base of Golden Dawn will only be convinced to abandon it if they see a visionary, progressive alternative that promises to restore dignity, provide jobs, solidarity and welfare support; in short, a far-reaching anti-capitalist, socialist and revolutionary answer to the crisis.

The minimum, anti-austerity programme of Syriza provides a starting point, but only that. Syriza has been borne up on a wave of hope that Greek workers can rip up the austerity programmes of the outgoing government while maintaining membership of the Eurozone. Syriza promotes this illusion when it should be preparing the working class for the hard realities that lay ahead.

It is correct not to fetishise the question of national currency or to believe that the path of anti-capitalism must lead either through membership of or exit from the Eurozone. It is especially short-sighted to pose the return to a national currency as a panacea to the traumas facing the Greek working and middle classes.

But in the concrete circumstances of Greece today it is difficult to see how a comprehensive rejection of the Troika's austerity programme will lead to anything other than an exit from the single currency. If Syriza rejects budget

HOLLANDE VICTORY

France votes against austerity

The presidential elections delivered a blow to the EU leaders' austerity package. As important, argues Richard Price, were the gains made by the Front de Gauche to the left of Hollande

THERE IS no doubting the enormous symbolic significance of François Hollande's presidential victory. With the Eurozone crisis raging, Hollande declared on the campaign trail that "austerity can no longer be the only option". He went on:

"My true adversary does not have a name, a face or a party. He never puts forth his candidacy, but nevertheless he governs. My true adversary is the world of finance."

Hollande's manifesto called for higher taxes for the richest 5% – 40% taxes on incomes over €150,000 and 75% over €1m; closing tax loopholes; greater financial regulation; a levy on financial transactions; the defence of public services; the creation of a public investment bank; job creation, including 150,000 jobs for young people; a major house-building programme; and 60,000 new posts in education – an important issue given that one in six now leave school with no qualifications.

It was hardly a full blooded socialist platform – there were no commitments to 1981-2 Mitterrand style nationalisations – but it was nonetheless well to the left of anything Labour has proposed in Britain. It was also enough of a contrast to Sarkozy's reputation as the president of the rich, the president of bling, to convince enough voters that Hollande's Obama-style mantra of "change" meant something tangible.

Mélenchon's campaign – the renaissance of the left

It was the campaign of Jean-Luc Mélenchon and the Front de Gauche which ignited the presidential contest on the left. Mélenchon, a former Socialist education minister, led a left split in 2008 from the Socialist Party (PS) and together with dissident Greens, formed the Left Party (PG) which claims 8,000 members. Together with the ailing Communist Party (PCF), a small split from the Ligue Communiste Révolutionnaire (LCR) and a few other small left groups, the PG formed the Front de Gauche (FdG) to contest the 2009 European elections, performing well enough for Mélenchon to win a seat.

Few predicted a significant result for Mélenchon in 2012. In July 2011 his poll rating stood at 5%. The PCF, which would provide much of the campaign's resources, had performed disastrously in 2007, winning only 1.93% – its worst ever result since the party's formation in 1920 – although its membership remains the largest of any party apart from Sarkozy's UMP.

But incrementally the campaign gained ground with a series of major rallies – 100,000 in the Place de la Bastille, 100,000 on the beach in Marseille, 70,000 in Toulouse, 20,000 in Lille – so much so, that by mid-April with his

support touching 15% and edging ahead of the Front National's Marine Le Pen, Mélenchon was spoken of widely in the media as "the third man".

Mélenchon's fiery oratory, calling for a "citizen's insurrection" and a "revolution through the ballot box" struck a chord, and he uncompromisingly attacked the Front National, whereas Hollande tended to sidestep the issue, treating it simply as a symptom of the national economic and social malaise. His manifesto called for a 100% tax rate on incomes above €360,000, the restoration of full retirement and pensions at 60, a new sixth republic, a break from the Anglo-Saxon neo-liberal model, an alternative Europe, the defence of social gains and an end to the war in Afghanistan. His posters simply said: "Take power!"

Of course, with this comes a fair amount of Jacobin-republican-anti-clerical baggage, including some unevolved positions on the veil and the elevation of France

with its Stalinist past. L'Humanité is now cooperatively run and formally independent of the PCF, even if it still exercises majority control, and it is much better for it. Generally, the PCF seems to have acted in a reasonably non-sectarian way, which is to be greatly welcomed.

Marine Le Pen – detoxifying the Front National brand

Since she took over chairing the Front National (FN) in January 2011, Marine Le Pen has sought to detoxify the party's image and reposition it as the party of the underdog and the enemy of France's political class, which she has successfully portrayed as a PS-UMP duopoly.

Seizing the opportunity presented by recession, she has refined the FN's racism, turning it away from the anti-semitism of Le Pen's old Vichyite cronies and focusing it on France's five million Muslims and the "problem" of immigration, particularly from the Maghreb. Stoking fears of globalisation and the impact of recession, Le Pen has campaigned for "French jobs for French workers", and to a greater degree than Le Pen senior, has specifically sought working class support, particularly in the rust belt post-industrial towns of the north and east where unemployment is high and prospects for young people bleak.

The third main plank of the FN is UKIP-style opposition to the EU and all its works, leading Le Pen to tentatively propose withdrawal from the euro, only to backtrack once this seemed a Europhobic demand too far. This is combined with a media-savvy approach which has seen skinheads side-lined at FN rallies and republican patriotism to the fore.

Voting with the heart: the first round

France, it is said, votes with its heart in the first round of presidential voting, and with its head in the second. The system allows the electorate to shop across the entire political spectrum from left to right, in the safe knowledge that the run-off will be a choice between the centre left and the centre right.*

Recent years have seen the PCF attempt to come to terms, however unevenly and inconsistently, with its Stalinist past. L'Humanité is now cooperatively run

to the status of "the first universal nation" – whatever that means! But there is no doubting Mélenchon's effectiveness as a campaign speaker and a combative television debater.

Support was evident in towns and cities which had seen major strikes in recent years, and CGT banners were in evidence at all his rallies. Also gratifying was the interest shown by tens of thousands of young people. For the PCF – for decades a grey, bureaucratic, dogmatic, Stalinist and deeply conservative monolith – the experience of forging a pluralist left coalition in support of a former Trotskyist was a very healthy one. Recent years have seen it attempt to come to terms, however unevenly and inconsistently,

Table 1: first round voting in 2007 and 2012

2007

Candidate	Party	Vote	%
Royal	PS	9,500,112	25.87
Sarkozy	UMP	11,448,663	31.18
J-M Le Pen	FN	3,834,530	10.44
Buffet	PCF	707,268	1.93
Bayrou	UDF	6,820,119	18.57
Voynet	VEC	576,666	1.57
Besancenot	LCR	1,498,581	4.08
Laguiller	LO	487,857	1.33
De Villiers	MPF	818,407	2.23
Bové	Anti-globalisation	483,008	1.32
Nihous	CPNT	420,645	1.15
Schivardi	PT	123,540	0.34

2012

Candidate	Party	Vote	%
Hollande	PS	10,272,705	28.63
Sarkozy	UMP	9,753,629	27.18
M Le Pen	FN	6,421,426	17.90
Mélenchon	FDG	3,984,822	11.10
Bayrou	MoDem	3,275,122	9.13
Joly	EELV	828,345	2.31
Dupont-Aignan	DLR	643,907	1.79
Poutou	NPA	411,160	1.15
Arthaud	LO	202,548	0.56
Cheminade	SP	89,545	0.25

The final weeks of the campaign were conducted under an unprecedented atmosphere of Islamophobia and security scares, as Sarkozy – well behind in the polls – executed a sharp turn to the right, borrowing the FN's clothes, and trying to ramp up the tension surrounding four shootings by a self-declared Islamist in Toulouse and Montauban. Armed police were deployed to transport hubs and Sarkozy's speeches returned time and again to the need to safeguard the nation's borders. Scare stories originating from the FN that most of Paris's meat is now halal were picked up by the UMP in classic dog whistle style.

Certainly the tactic succeeded in narrowing the gap between Sarkozy and Hollande, and, contrary to expectations, it didn't dent the FN vote. But what it also did was repel sections of the centre ground more concerned with France's economic woes and firm up Hollande's support on the other side of the fence.

The first round results showed some striking shifts since 2007. The Socialist vote was up by just under 3% while Sarkozy's fell by 4%. Overall, however, the picture was one of deeper polarisation. The FN's vote rose by over 7% and was the best result of any far right candidate in a presidential election.

The combined vote for candidates to the left of the Socialists (Mélenchon, Joly, Poutou, Arthaud) was 5,426,875 votes (15.1%) compared to 3,876,920 (10.6%) in 2007 – this despite derisory votes for the candidates of the Nouveau Parti Anticapitaliste (NPA) and Lutte Ouvrière (LO). Support for "centre" candidate François Bayrou, who in recent years has aspired to be something of a kingmaker, fell dramatically by more than half. (See Table 1, bottom left)

In general, Sarkozy did well in a belt across central-northern France, in the east and in the south east. Hollande took every department down the Atlantic coast apart from the Vendée, all four inner Paris areas and polled strongly in the south west. But this only tells part of the story. Although Le Pen only finished first in one department – the Gard – she finished second to Sarkozy in a swathe of right wing departments, and second to Hollande in the Nord, Aisne, Pas-de-Calais and Ardennes in the north east. She also polled above her national share in much of Mediterranean France, winning scores of coastal communes.

Mélenchon did well in many of France's largest cities, out-polling Le Pen in all four inner parts of the Paris conurbation, and in seven of the next ten biggest cities. He polled well in cities with large student populations (Paris, Toulouse, Montpellier, Strasbourg) but he also beat Le Pen in the largely rural south western departments of Ariège, Hautes-Pyrénées and Lot, and won dozens of small rural communes. (See Table 1, below)

Having appeared to be on the brink of third place, Mélenchon's first round score of 11.10%, 6.8% behind Le Pen, was slightly disappointing. Mélenchon finished about 2% behind eve of poll predictions, while Le Pen was around 2% ahead. There were probably several factors at work – the tendency of French opinion polls to underestimate the FN vote (as they did in 2002); the fear of a repeat of 2002, causing some Mélenchon supporters to vote for Hollande; and a late surge of support for Le Pen. It was, however, the best performance by any candidate to the left of the PS since the PCF's Georges Marchais won 15.35% in 1981.

The Front National and the working class?

Many commentators have made the case that the FN has replaced the PCF in many of its old strongholds. Some recent analysis has claimed that up to 35% of the FN electorate is working class and that it represents about a quarter of French workers, only just behind the PS. That the FN has made deep inroads into some working class communities is clear. But such statistics should come with a health warning as they rely on fairly broad brush occupational classifications. In any case, to compare the PCF's strongest areas in its heyday up to the 1970s with today isn't comparing like with like. Apart from the obvious fact that many PCF voters from 40 years ago are now dead, French society has undergone rapid structural and demographic change.

Despite individual LO members often winning respect as union militants, LO's brand of sterile, dogmatic workerism appears to have run its course

The situation is complicated by the facts that in some parts of France – the Languedoc-Roussillon region, for example – both Le Pen and Mélenchon polled above their national average, and in a few cases won neighbouring wine villages. Clearly, occupational determinism doesn't get you very far.

Mélenchon did well in a number of old PCF fiefdoms, particularly Seine-Saint-Denis, where he won just over 20%. Paris's inner suburbs have largely resisted the lure of the FN, although some of the outlying parts of the Red Belt have gone to Sarkozy. In the south, Le Pen finished second to Sarkozy in the Mediterranean port of Sète, and

Table 2: Mélenchon versus Le Pen

City	Mélenchon %	Le Pen %
Paris conurbation		
Paris	11.09	6.20
Val-de-Marne	14.00	11.86
Seine-Saint-Denis	16.99	13.55
Hauts-de-Seine	10.35	8.51
Next ten biggest cities		
Marseille	13.83	21.22
Lyon	11.83	9.87
Lille	15.42	13.40
Toulouse	15.91	10.34
Nice	9.21	23.02
Nantes	12.38	7.78
Strasbourg	11.37	11.86
Montpellier	15.69	13.66
Bordeaux	12.16	8.22
Rennes	13.44	7.33

ahead of Mélenchon in the former mining town of Alès, both former PCF bastions. Le Pen's rural vote shouldn't be underestimated. In almost all the departments of central France she polled between 15 and 20%, and in a few, even more. On the other hand, there remain a number of rural regions that continue to vote strongly for the left.

The truth is that the FN electorate is a heterogeneous – and therefore potentially unstable – coalition of workers, unemployed, pensioners, the still numerous lower middle class (the “small people”), and peasants, with a sprinkling of bigger bourgeois, not forgetting racists not covered in the above categories.

What has happened to the far left?

For over a decade after the collapse of Stalinism in eastern Europe in 1989-91, France appeared to be the exception

Hollande faced the tricky task of winning the support of voters to his left, while ensuring that the larger proportion to his right didn't transfer en bloc to Sarkozy

to the rule that the collapse had dragged western European Trotskyism down with it. In the 1995 presidential election, Arlette Laguiller of LO won 5.30%. In 2002 the combined vote of LO, LCR and Lambertist candidates was 10.44%. In 2007 this had nearly halved to 5.75%. This time round, the combined NPA and LO vote collapsed to 1.71%.

Despite individual LO members often winning respect as union militants, LO's brand of sterile, dogmatic work-erism appears to have run its course. Perennially suspicious of collaborating with other sections of the left and weakened by splits and expulsions, it remains trapped in a sect-like existence.

While LO retreated to its bunker, the LCR set off on an opposite course to unify the rest of the far left, forming the Nouveau Parti Anticapitaliste (NPA) in February 2009. Launched with a fanfare, and claiming nearly 10,000 members – double the LCR's membership – it aimed to capitalise on Olivier Besancenot's respectable vote in 2007. More has become a whole lot less, and the NPA has confirmed Engels' old adage that a mass party cannot be constructed out of a fusion of squabbling propaganda groups. Indeed, it also seems to be something approaching a “law” that the only left coalitions that achieve a measure of mass support in western Europe are those where the main component has a recent history of a mass base (Izquierda Unida, Spain; Die Linke, Germany; Front de Gauche, France).

In its first three years the NPA lost around third of its membership. According to one NPA blogger, the NPA presidential campaign was “dreadful”, “very weak”, and “sectarian” towards Mélenchon, and it failed to produce so much as a leaflet for Mélenchon's huge Bastille meeting. In the course of the campaign, some NPA factions, including Gauche Anticapitaliste, appear to have gone

over to Mélenchon. When I passed an NPA office in Béziers on the Saturday eight days before the first round, it was shut up with no signs of life.

Among the wider left-voting public people seem to have grown tired of the luxury of multiple Trotskyist candidacies and put their faith in something that looks viable on a mass scale.

Voting with the head: the second round

Between October 2011 and May 2012, over 100 major opinion polls predicted that Hollande would win a second round run-off against Sarkozy, with a winning margin of between 4 and 20%, and an average of about 8%. In the event it was a much closer contest, with Hollande winning by only 3.28% – hardly a ringing endorsement against an opponent with record unpopularity ratings.

Hollande faced the tricky task of winning the support of voters to his left, while ensuring that the larger proportion to his right didn't transfer en bloc to Sarkozy. This task was made easier by Marine Le Pen's announcement that she intended to vote blank, and 2.15 million voters followed her lead. However this only amounted to a third of her electorate. Of the remainder, some simply abstained, while around three times as many supported Sarkozy as backed Hollande.

Mélenchon and the FdG operated classic united front tactics, working flat out to deliver votes for Hollande while not withdrawing their criticisms. Hollande was also endorsed by François Bayrou and Green (EELV) leader Eva Joly. In the vast majority of departments, Hollande and Sarkozy won departments where they had led in the first round.

The future of the left

Forced to the left during the campaign by the pressure of the FdG, Hollande – a product of the elite École Nationale d'Administration and a long time PS manager – has predictably reverted to type in the first days of his presidency.

Martine Aubry, architect of the 35-hour week, has been overlooked as prime minister in favour of “consensus builder” Jean-Marc Ayrault. Laurent Fabius, prime minister during the right turn of the Socialists in 1984-6, is back as foreign minister. Plans to renegotiate the European stability pact that restricts government spending look set to result in a compromise, with Angela Merkel accepting a commitment to growth to be attached to the stability pact, some diversion of EU funds into major infrastructure projects and the expansion of the capital base of the European Investment Bank.

Domestically, Hollande remains committed to balancing the budget by 2017, although some of it will be courtesy of a 75% wealth tax on earnings above €1m. Any new government spending plans are to be offset by budgetary cuts elsewhere. Hollande plans to bring the French budget deficit down to 3% by next year. But he inherits an economy with considerable problems. GDP has flatlined for the last six months and unemployment has hit 10%.

Hollande also proposes a “pact of trust” between employers, unions, banks and local authorities – but then most

governments since the 1930s have proposed something similar to little effect. There are also signs of backtracking on his campaign pledge to pull all French troops out of Afghanistan by the end of 2012.

There are some brighter notes – notably plans to create 150,000 jobs for young people and a series of measures to decentralise power – a move to head off the growing and mainly right of centre regionalism in French politics. Presidential and ministerial salaries are to be cut by 30%. Half of his ministerial team are women, and Eva Joly has been appointed housing minister.

Much will depend on the two rounds of legislative elections on June 10 and 17. The PS currently controls 21 out of 22 regional governments in Metropolitan France. Control of the National Assembly together with the presidency would complete an unprecedented hat trick. Amid predictions that it will break up, the UMP's support appears to be holding up, and running higher than Sarkozy's presidential score. Opinion polls in early May put the UMP on 32%, the PS on 30%, the FN on 16% and the FdG on 9%. However, the complex process of horse-trading on both left and right means that the outcome is not a foregone conclusion. The PS has an agreement with the Greens in 60 seats. Elsewhere, the main focus will be on Henin-Beau-

mont, near Calais, where Mélenchon is standing against Le Pen in her home town. In an act of sectarian stupidity, the NPA has announced it is also standing a candidate.

The main far left groups in France resemble a car crash. It seems self-evident that those outside the FdG should join it without delay and seek to influence it from within. Formed as an electoral front, the FdG needs to be transformed into an ongoing "front of struggle" to defend jobs, living standards and public services from the attacks that will inevitably flow from Hollande's austerity lite. The alternative will be a re-run of the disillusionment and disorientation that followed the right turn under Mitterrand after 1982. The other pressing need is for the FdG to take a clear and unambiguous stand against all forms of racism and Islamophobia, and to put itself at the head of a mass national anti-racist movement.

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ENDNOTE

* The exception was in 2002, when the unpopularity of the PS and the presence of five candidates to its left, who between them polled 19%, ensured that Jean-Marie Le Pen got through to the second round.

SCOTTISH INDEPENDENCE

SNP starts its

Yes campaign

A two-year referendum campaign for Scottish independence has just been launched. Allan Armstrong asks what Alex Salmond really offers and how recent election results may affect the outcome

THE SCOTTISH local council elections, held on 5 May, have attracted much wider interest than would normally be the case. The main reason for this is the mounting speculation arising from the SNP government's promised Scottish independence referendum in 2014, the Yes campaign for which was launched on 25 May.

The media is aware that the current UK constitutional arrangements face a real challenge. Therefore, whenever any Scottish election occurs, the runes are scrutinised to see if support for independence is growing or falling away.

The usual presumption is that votes for the SNP can be directly interpreted as support for Scottish independence. There are a number of problems with this. A vote for the SNP represents different things in different contexts. This can be seen by examining the very different voting patterns in the Westminster, Holyrood and local elections and also by comparing these to polls showing the levels of support for Scottish independence (however this is understood – see table right).¹

Clearly, the SNP's support in Westminster elections is much weaker than in either the Holyrood or local council elections. The reason for this is clear: it is impossible for the SNP ever to form a Westminster government. Even people who support independence (and all the polls since 2007 show support for Scottish independence lying considerably above the SNP's recent best result at Westminster in 2011) are prepared to vote for anti-independence parties.

Usually this means voting for Labour to keep out the Tories. The extent to which this is true was shown in the 2010 Westminster elections, where Labour in Scotland bucked the British trend and actually increased its share of the vote,² winning 42% of the vote compared to the SNP's 19.9%.

However, in the Holyrood elections, the SNP has done much better. Its spectacular election victory in 2011, with 45.4% of the vote, came about because many non-independence supporters saw the SNP as a better bet than Labour when it comes to opposing the Con-Dem Westminster government's cuts in Scotland (and this was in the context of the SNP having formed a minority Holyrood government since 2007).

The SNP was able to position itself as a better social democratic-style party in Scotland than Labour, admittedly not a hard task. In 2011, the SNP's share of the vote went well above the support for Scottish independence suggested in opinion polls at the time.

Now, when it came to the recent local council elections in Scotland, where every seat was up for election, another factor has first to be taken into account. The turnout was considerably down on the 2007 election – from 52% to 38% – because this time the local election did not coincide with the Holyrood election.

However, the turnout was still 6% higher than in England, not a typical feature of other Scottish elections. It is quite likely that the wider national interest generated by

the looming Scottish independence referendum accounted for this difference in turnout, although it is not obvious which parties benefited most.

On one hand, the supporters of the current Union, especially Labour, were quick to point to the "collapse" of SNP support from a high of 45.4% in last year's Holyrood elections, to 32.3%³ in the local elections.⁴

Yet any comparison of the SNP's support in the 2011 and 2007 local elections, especially when compared with Labour's, shows that they actually performed well. However, to reiterate, the continued increase in support for the SNP at local council level is not the same thing as increased support for Scottish independence. Neither does the drop in support from the Holyrood election necessarily mean a decline in support for independence.

Therefore, the SNP leadership was quick to flag up how much better they did than Labour on 5 May in terms of their share of the vote, additional seats won and the total number of council seats they now hold. Nevertheless, this cannot disguise their failure to take Glasgow from Labour.

Glasgow City Council had become a byword for Labour corruption and sleaze. The Scottish party leadership had been forced to step in and push for the deselection of 17 sitting councillors, who immediately defected in February, forming Glasgow First. This left the ruling Labour group as a minority administration. Yet, on 5 May, despite the SNP increasing its vote in the city by 8% and its number of seats by five, Labour also increased its vote by more than 3%, losing only one seat overall.

They easily saw off the Glasgow First challenge (who only held on to one seat⁵), and were able to once more form a majority administration in the city.

Nobody, not even Labour, had expected this, although

they had fought back like cornered cats. They well knew that if Glasgow fell, the immediate danger was not so much a surge in support for Scottish independence as the likely ending of Labour's long-standing and widespread powers of patronage, which had launched so many careers – not just political, but also in administration and service management. Future career prospects were not looking too good with Labour having lost control at Holyrood in 2007, reduced to just two Scottish local councils in the

When the SNP formed a minority Holyrood government after 2007 it made no attempt to implement its promised independence referendum

same year and then out in Westminster too in 2010.

However, SNP Glasgow council group leader, Allison Hunter, came to Labour's assistance. She belongs to the party's "Ally MacLeod"⁶ wing. They believe that all you need to win is to cheer on your side the loudest, and ignore the opposition's strengths. Thus, just before the election, much to the consternation of the SNP national leadership, she very publicly stated that, "Glasgow would be a stepping stone to independence".

This turned out to be nearly as embarrassing for today's SNP leadership, as Ally Macleod's 1978 answer to the question, "What do you plan to do after the World Cup", to which he replied, "Retain it"!

The SNP's national deputy leader (and likely successor

Westminster

2005	% vote	Change	Seats	2010	% vote	Change	Seats
SNP	17.7	-2.4	6 (+2)		19.9	+2.3	6 (0)
Labour	39.5	-4.5	41 (-5)		42.0	+2.5	41 (0)

Holyrood

2007	% vote	Change	Seats	2011	% vote	Change	Seats
SNP	32.9	+1.0	47 (+20)		45.4	+12.5	69 (+23)
Labour	32.2	+2.9	46 (-4)		31.7	-0.5	37 (-9)

Local council

2007	% vote	Change	Seats	2012	% vote	Change	Seats
SNP	27.9	+3.8	363 (+182)		32.3	+4.4	424 (+61)
Labour	28.1	-4.5	348 (-161)		31.4	+3.3	394 (+46)

Voting on independence

	Aug 07	Nov 07	May 08	Jun 08	Oct 08	Jan 09	May 09	Nov 09	May 11	Aug 11	Jan 12
For	35%	40%	40%	39%	35%	38%	36%	31%	37%	39%	35%
Against	50%	44%	41%	41%	43%	40%	39%	46%	45%	38%	44%
Don't know	15%	16%	19%	21%	22%	21%	25%	23%	18%	23%	21%

to Alex Salmond), Nicola Sturgeon, claimed at their party conference earlier this year, that she thought the SNP could take Glasgow. However, she made sure that she did not link this with any hype about the prospects for the Scottish independence referendum.

The SNP's strategy is two-pronged. The Scottish independence referendum one of these prongs. When the SNP formed a minority Holyrood government after 2007 it made no attempt to implement its promised independence referendum. Back then it had the excuse that this would be voted down by the mainstream unionist parties' majority, and the last thing they wanted was to mobilise

be allowed to have any influence on the SNP leadership's own cautious strategy.

It has been clear for some time that Salmond would like the 2014 independence-lite referendum to have a second devolution-max question. This is because the second prong of Salmond's political strategy is to develop an aspirant Scottish ruling class. The SNP's current Scottish business (and global corporate) supporters want a Scotland that can compete more effectively in the global capitalist market (primarily by lowering corporate taxation⁸), and which fully participates in US/UK imperial policing of the world.⁹ They also like the idea of retaining the monarchy, not so much out of any particular devotion to the Queen (although Salmond himself seems besotted), but to reassure British unionists and to have those crown powers at their disposal, should things get too rough.

Independence-lite already amounts to little more than independence in the Union, with the SNP government's acceptance of the monarchy, sterling (and hence effective control of the economy by the City¹⁰) and the placing of Scottish armed forces under the British High Command. However, a devolution-max option would provide a wannabe Scottish ruling class with an even less ambitious second option to help it gradually increase its influence, particularly over fiscal policy, if British ruling class opposition to independence-lite proves to be too intransigent.

Yet, despite the continued attempts by Salmond to appease the British establishment (including its Scottish unionist component¹¹), the US state, and the global corporations (e.g. Rupert Murdoch and Donald Trump), there is little indication that the current British ruling class and its British unionist leaders will play ball.

Putting the unionist parties' public bravado aside, the British ruling class is fully aware that the UK is a declining power. It now faces a prolonged period of economic crisis, and there is no room for an uppity wannabe ruling class seeking a greater slice of a diminishing cake.

This is why the British unionist parties have chosen a strategy designed to give Salmond and the SNP government a bloody nose in the forthcoming referendum campaign. In Scotland, it is Labour, desperate to cling on to all that patronage, which will take the lead in this.

If you only examine the public politicking around the independence referendum, you could be forgiven for thinking that the British unionists have acted in a pretty cack-handed manner so far. They failed to prevent the SNP's referendum from going ahead, and revealed in the process their underlying hostility to the principle of national self-determination. Both Jeremy Paxman and Labour Lord Foulkes' attempts to paint Salmond as Mugabe or Mussolini misfired spectacularly, especially when Salmond's obvious role model is so much closer to home – Tony Blair.

However, the British unionists are step-by-step, going onto the offensive, quietly deploying the anti-democratic measures sanctioned under the UK state's crown powers. Salmond is astute enough to know, that any Ally Macleod-style, "attack, attack, attack" tactics are unlikely to deliver a majority "Yes" vote in the 2014 referendum.¹²

It looks as if Salmond's hopes of a devolution-max referendum option have been stymied by the inability of "civic Scotland" (i.e. the Scottish Labour Party and STUC

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extra-parliamentary support on the streets and upset those they were now assiduously trying to court.

This period was marked by the public support prominent business figures, including Sir Brian Souter of Stagecoach, Sir Tom Farmer of Kwikfit and Sir George Matthewson of the Royal Bank of Scotland gave to Salmond and the SNP government (something that proved a temporary embarrassment during the credit crunch after 2008!). However, as well as making it clear that they wanted the SNP to pursue pro-Scottish business policies, these luminaries also stressed that they wanted no major constitutional conflicts, and that "devolution-max" was their preferred option. A significant section of the SNP leadership think likewise – including, most prominently, Michael Russell, current Education Minister, along with others, mainly, but not exclusively, on the SNP's neo-liberal right wing.

Salmond's first success after 2007 lay in quickly silencing the "independistas", both inside and outside the SNP. They had formed Independence First, and initially called for an extra-parliamentary campaign to bring forward the promised independence referendum. However, Salmond soon persuaded them that waiting to achieve a Holyrood majority in 2011 was the best course. Independence First disappeared, with more and more of its supporters falling in behind Salmond's strategy.

When Salmond did achieve his sensational Holyrood SNP victory in 2011, the independistas began to think he "walked on water". Some had been involved in the even lower-key Scottish Independence Convention, which the SNP leadership had joined in order to stifle. However, the strong likelihood is that this will go the same way as Independence First. Salmond launched the SNP's official Yes campaign⁷ in Cineworld in Edinburgh on 25 May.

The independistas are now most likely to concentrate instead on forming the Tartan Army or "Ally Macleod wing" of the official SNP Yes campaign. They will be praised when the going is good and damned whenever their Braveheart approach embarrasses the SNP leadership. They will not

"in civvies") to cooperate, and by the SNP's own internal independista opposition. However, Salmond has lived through two other major SNP setbacks¹³ (the first in 1979, straight after the first failed Scottish devolution referendum; the second in 2003 with loss of eight MSPs in the Holyrood election).

He knows the SNP can still recover if it champions certain class interests. Should the 2014 independence option go down to defeat in 2014, Salmond or Sturgeon are likely to quickly demand the devolution-max option, some unionists promise¹⁴ after a "No" vote. They can see the precedents for further advancing a national ruling class incrementally within the existing state established by Catalan Convergence and the Parti Québécois in Spain and Canada respectively.

Salmond's longer-term strategy is to appeal to ever-widening sections of the Scottish middle class (and hopefully even some jaundiced Scottish members of the British ruling class) to seek their fortunes in a future independent Scotland, rather than be held back by the increasingly reactionary British establishment.

Therefore, what the business-savvy Salmond¹⁵ proposes is not so much a hostile takeover of part of UK plc; but more a junior management partial buy out, with the promise of continuing profitable cooperation in the future. The existing UK state institutions north of the border would be marketed in tartan clothing though.

And it is this desire to develop a putative Scottish ruling class that highlights the importance of the ability to dispense patronage in Scotland, whether at Holyrood or at local council level. Salmond, and of course Scottish Labour, both knew what was at stake in the May election. This has been shown by the Labour Party's subsequent determination to exclude the SNP from as many local council administrations as possible, even if this meant forming coalitions with the Conservatives in six councils – Aberdeen, East Dunbartonshire, East Lothian, Falkirk, East Ayrshire and Stirling.¹⁶ The only apparent exception to this is Edinburgh – the sole example of Labour in coalition with the SNP; but even here, this was only after the Conservatives turned Labour down first!

However, Labour in Glasgow knew that they had to see off Glasgow First if they were to guarantee their more ambitious supporters future access to the much greater rewards through cooperation with big business, compared to the smaller-scale, more localised spoils their former colleagues now in Glasgow First were so desperate to cling on to. Learning from this, the Glasgow SNP group quickly ditched its leader, Allison Hunter, after the election, and replaced her with the much more on-message, Graeme Hendry.

He was quick to declare that, "Our work begins now to put in place a team of spokespeople from this talented group which will continue to hold Labour to account and start the process of developing ideas that will help this great city" – not a word about the forthcoming independence referendum there!

So, were the Scottish local elections just a two team fixture – SNP and Labour? Labour were able to oust the existing SNP administrations in both Renfrewshire and Dunbartonshire. Renfrewshire had seen the threat of large

scale teacher strike action backed by local parents, in protest at a particularly ill-judged education cut; whilst the SNP in West Dunbartonshire had imposed drastic cuts on already hard-hit local communities. The SNP was able to finally oust Labour in Dundee.

When in opposition, Labour opposed "SNP cuts" just as the SNP opposed "Labour cuts". Neither party publicly owned up to the second part of their policies – "support Labour cuts" or "support SNP cuts" respectively.

However, in West Dunbartonshire, the sitting SSP councillor, Jim Bollan, held on to his seat in Renton. The ruling SNP group had suspended Bollan for six months for his

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continued support for actions taken by his local community in defiance of the cuts.

However, Bollan's welcome victory was the only bright spot on another bleak electoral night for socialists in Scotland. The divisions caused by "Tommygate"¹⁷ continue to bedevil the Scottish Left; whilst the absence of any effective action in defiance of the cuts, has left workers looking for "easy" electoral alternatives, and hoping against hope that SNP or Labour election promises will be honoured.

One precondition for any socialist resurgence is the ability to become centrally involved in the resistance that is bound to arise. Most government cuts have been delayed for longer in Scotland, and have yet to be fully enforced. One obvious obstacle in achieving this resurgence is the harmful competition between various anti-cuts campaigns promoted by the socialist sects.

However, another precondition for significant advance is for socialists to appreciate the political significance of the Scottish independence referendum and its ability to produce a constitutional crisis for the UK state. The economic and political are not two separate issues, but are very much linked in the context of growing crises in both these spheres of capitalist control.

Therefore, the political situation could still change very dramatically before the 2014 referendum. There is nothing inevitable about the domination of the campaign for greater self-determination by the SNP¹⁸. Socialists will need to confront both the existing British ruling class with its Scottish unionist supporters, and the rising Scottish wannabe ruling class and its SNP backers. Ambitious? Yes – but the nature of the times means that we have to raise our sights.

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ENDNOTES

1. The SNP government's own proposals only amount to independence-lite, or "Independence within the Union", although amongst

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supporters of Scottish independence there is considerable support for more extensive self-determination, including a complete republican break with the UK state.

2. In Scotland, unlike the rest of Britain, the Lib-Dem share of the vote declined in 2010.

3. This does not take into consideration the additional SNP support has at national level in the Highlands and other areas, where non-party independents are still a major factor at local level.

4. This does not take into account the difference in turn-out rates between local and national elections, and the future independence referendum will certainly be a national event. However, there is no particular reason to believe that the turnout factor in the local elections under-estimated the SNP support at this level.

5. One of those who fared badly was former Solidarity councillor, Ruth Black, who first defected to Labour, becoming closely linked to disgraced former council leader, Stephen Purcell. She received 48 votes!

6. Ally Macleod was manager of the Scottish football team in the 1978 World Cup in Argentina. Despite the infectious enthusiasm he generated for the national side going into the finals, Scotland failed to get beyond the group stage.

7. The platform party, led by Alex Salmond, included Denis Canavan, former Labour MP and MSP; Tommy Brennan, former trade union convenor at Ravenscraig steelworks (closed under Thatcher); and several figures from Scotland's cultural scene, of whom pride of place was given to actor Brian Cox, who declared himself a former long-standing Labour member but still a democratic socialist now he supported Scottish independence.

8. Although, the SNP government has also given a large government subsidy to the US-based anti-trade union employer, Amazon, to set up a new distribution centre in Scotland.

9. The SNP opposed the Iraq war but warmly supports the role of Scottish regiments in Afghanistan.

10. Edinburgh's much vaunted finance sector is, in effect, a branch office of the City. This was highlighted by the spectacular fall of the Royal Bank of Scotland and the Bank of Scotland and the subsequent (Labour initiated) British government bailout.

11. One example of this has been the SNP government's insistence that Megrahi was guilty of the Lockerbie bombing, and was only released from Barlinnie prison on "compassionate grounds". The SNP does not want to alienate the powerful Scottish legal establishment, by suggesting they were complicit (with US and UK security

service backing) in a miscarriage of justice at Camp Zeist in the Netherlands. The "inherently compassionate" nature of Scotland's justice system, compared to that in England and Wales, would not be obvious to anyone else who had been through it!

12. And, even in the unlikely event of this happening, the British ruling class would not just give up, and warmly embrace independence-lite. They will use all the constitutional, political (including US pressure) and economic power at their disposal to obstruct this. Indeed, they would be mightily aided in this, by the constitutional powers they still held in Scotland under the SNP's independence-lite proposals.

13. Although in both of these cases Salmond's vaunting pride was not directly affected, since he was not the party leader at the time, something he was not slow to hint at!

14. Few people in Scotland take such promises seriously, after Sir Alex Douglas Hume's promise that a "No" vote in the 1979 devolution referendum would lead to an incoming Conservative government bringing in a better devolution measure!

15. Salmond was an energy economics advisor for the Royal Bank of Scotland, after working for the influential joint public-private sector Government Economic Service.

16. The SNP are in coalition with the Conservatives in two councils - Dumfries and Galloway and East Ayrshire - and with a dissident pro-independence Conservative in Midlothian. However, the Labour Party claims to be anti-Tory on principle, whereas the SNP is anti-British unionist. This stance does not rule out cooperation with Scottish members of any of the unionist parties, in a similar way that the SDLP and Sinn Féin were prepared to make deals with the Ulster Unionists, long before that was very reluctantly reciprocated.

17. Former SSP leader Tommy Sheridan was jailed for perjury for lying in a libel trial and accusing his former comrades of lying about his sexual affairs. The succession of high profile court cases and public slanging matches did great damage to the far left.

18. Although, the likelihood of the British left taking the lead from the Conservative/Lib-Dem/Labour unionist alliance opposition to the SNP is indeed remote, despite the victory of the left populist and strongly British unionist, George Galloway in Bradford. His "real Labour" electoral appeal did not work in Glasgow in the Holyrood election last year, in the face of competition from the "real social democrats" of the SNP.

ANTI-CAPITALISM

The significance of Occupy

The Occupy movement burst onto the world scene in 2011, inspired by the dramatic events of the Egyptian revolution and the Arab spring. Stuart King looks at where the movement is today and debates taking place about its future

OCCUPY WAS a powerful and successful movement. Its bold actions put the media spotlight on the glaring inequalities of 21st century capitalism. Galvanised into action by the Arab spring, and in particular the mass occupation of Tahrir Square in Cairo, occupations of public spaces spread from Madrid and New York across the world. By the autumn of last year there were hundreds of camps and meetings in city squares in more than 80 countries.

The demands and declarations of the mass assemblies varied from country to country, from movement to movement. This article concentrates on two of them – London and New York. In these two centres of world finance the Occupiers targeted the heart of unregulated capitalism and greed – Occupy Wall Street (OWS) and Occupy London Stock Exchange (OLSX).

The two bastions of finance capital turned out to be well-protected and the Occupiers, their tents and ongoing assemblies, ended up on private land – Zuccotti Park in New York and the square outside St Paul's Cathedral in London.

What linked Occupy, especially in Europe and North America, was anger that the enormous cost of the bankers' crisis was being offloaded onto the mass of ordinary people – onto low paid workers, students, the unemployed, the disabled. For these groups cuts and austerity were the order of the day; for the bankers and financiers it

was business as usual as they continued pocketing billions in salaries and bonuses.

In London, Occupy built on UK Uncut's successful direct action protests of last year against tax avoidance by the rich. This involved a well-publicised occupation of Philip Green's flagship Topshop store in Oxford Street. Similar actions were undertaken by campaigners in city centres across Britain.

In the context of mass unemployment, growing indebtedness, wage freezes and rising inflation the protestors gained considerable public support. They exposed the lie peddled by the austerity politicians that "we are all in this together". The willingness of young anti-capitalists to sleep out through the freezing winter also commanded broad respect.

In Britain even the Church of England was thrown into crisis; leading clerics at St Pauls resigned in protest at attempts by Cathedral authorities, with their close links with the City financiers, to evict Occupiers.

"One no, many yeses"

The Occupy movements were very broad politically. Some wanted better regulation of Wall Street, the City and the banks, others a more just and egalitarian system that looked after the poor and disadvantaged, one that made the rich pay their fair share.

Others were more radical, calling for a different type of system altogether, one based on direct democracy, control of the economy in the interest of all, and of the planet itself.

These groups – reformers, anti-capitalists, anarchists, utopian and traditional socialists – rubbed shoulders at the assemblies trying to produce declarations by consensus, spending large amounts of time running virtual self-sustaining villages and often driving each other and their neighbours mad with drum circles. The declarations that came out were short and to the point – they concentrated on what was wrong with the existing order.

The politicians' and bankers' friends in the media tried to ridicule the movement for "not knowing what it wanted", having no programme for political change, just being "negative". More honest observers tried to

In Oakland police brutality in clearing the Occupy camp sparked a city-wide mass general strike in response and a temporary retreat by the authorities

explain the demands of the movement. Roger Lowenstein, writing about OWS in Business Week summarised their demands quite well:

"As critics have noted, the protesters are not in complete agreement with each other, but the overall message is reasonably coherent. They want more and better jobs, more equal distribution of income, less profit (or no profit) for banks, lower compensation for bankers, and more strictures on banks with regard to negotiating consumer services such as mortgages and debit cards. They also want to reduce the influence that corporations – financial firms in particular – wield in politics, and they want a more populist set of government priorities: bailouts for student debtors and mortgage holders, not just for banks."¹

The OLSX manifesto had nine points and started by declaring the current system "unsustainable, undemocratic and unjust". It went on to oppose the austerity and cuts, called for an "end to global tax injustice" and declared: "We want structural change towards authentic global equality. The world's resources must go towards caring for people and the planet, not the military, corporate profits or the rich."

It called for support for student actions against the rise in fees and for the mass strikes called by the British trade unions for 30 November 2011 over government attacks on pensions.

This was an agreement for action against a common enemy and a promise to use the occupied democratic space to work towards developing "alternatives" to the current system.

In New York, last year's 30 September declaration had 21 points which, amongst other things, highlighted the injustice of mortgage foreclosures while banks took lavish

state bailouts, denounced the system of student debts and a lifetime of debt, opposed the attacks on employment rights and the race to the bottom by moving jobs offshore.

It denounced the censoring of the media, widespread police and prison violence and the fact that: "They (the 1%) have perpetuated colonialism at home and abroad (and) participated in the torture and murder of innocent civilians overseas."

OWS popularised the slogan "We are the 99%" which went viral round the world as a rallying cry against the rich and powerful.²

The Occupy protestors were also linked by a commitment to non-violent direct action. They maintained this stance, by and large, even in the face of increasing police brutality, especially in the US. Only in Oakland, a centre of revolutionary anarchism, did Occupiers fight back against the most violent police repression, a move that caused deep splits in the movement between pacifists and those who were prepared to resist police violence and refused to recognise capitalist property as sacrosanct.

Political declarations were only one aspect of the Occupy movement. Protestors supported student actions, joined striking workers on picket lines, welcomed anti-cuts committees to speak, were involved in a direct action campaign against foreclosures and auction houses, occupied vacant buildings in the City and set up education spaces.

OWS held a series of large demonstrations of up to 15,000 people, often with union support. Hundreds were arrested and pepper-sprayed during these events. Seven hundred were arrested while taking control of the road on Boston Bridge. In Oakland police brutality in clearing the Occupy camp sparked a city-wide mass general strike in response and a temporary retreat by the authorities.

The strength of Occupy was in its actions, its seizure of public space for public political protest and democratic debate. Its very presence was a visual indictment of business as usual capitalism. It captured the imagination of youth all over the world because unlike the traditional revolutionary groups – stuck in their traditional "sell the paper, organise a meeting, build the party" routine – it was daring, provocative and vibrant.

Eight months on: a GlobalMay manifesto?

The Occupy movement helped change the political climate – after almost a decade away anti-capitalism was back on the agenda. Journalists and media commentators openly discussed the iniquities of unbridled capitalism, politicians distanced themselves from the bankers' mega bonuses. In the UK there were even a series of shareholder revolts against outrageous management remuneration packages and bonuses leading to talk of a "shareholders' spring".

But within months the occupiers had been driven out of their squares by the forces of law and order. Zuccotti Park was cleared by police in mid-November 2011 and despite an attempt to retake it on New Year's Eve



The Occupiers' assembly on the first day of the St Pauls occupation

Picture: PR

and again recently in May, police prevented any more camps being set up.

At the end of February OLSX was cleared from its space around St Pauls. An attempt to re-occupy near the Bank of England on 12 May was met with overwhelming police numbers and arrests of many for "disrupting the community". Occupy campaigns and actions continue, but on a much reduced scale.

The movement hasn't gone away. The recent May actions were particularly large in Spain where Los Indignados (now called 15-M) initiated the movement of occupations a year ago. On the anniversary, tens of thousands of young people occupied squares and demonstrated around the country. Again the authorities had no intention of allowing permanent protest camps to be set up and cleared the squares after setting deadlines.

To coincide with the May protests a "GlobalMay Manifesto of Occupy" was issued. It develops and extends many of the declarations and demands made by various Occupy assemblies and working groups. It was drafted by the consensus method of politics. It was developed over the internet – not by the mass assemblies that produced the original declarations.

The manifesto starts by saying:

"The statement does not speak, or claim to speak, on behalf of everyone in the global spring/Occupy/Take the Square movements. This is an attempt by some inside the movements to reconcile statements written and endorsed in the different assemblies around the world. The process of writing the statement was consensus based . . . It was a long and difficult process, full of compromises. This statement is offered to peoples' assemblies around the world for discussions, revisions and endorsements."

The GlobalMay manifesto has sparked a debate not

just about the nature of the manifesto but also whether such a broad action based movement like Occupy should actually have such a common programme.³

The first problem is the consensus nature of this manifesto. Because it is "full of compromises" it is not at all clear on what it is calling for: the overthrow of capitalism or its reform into a better type of capitalism? Its ambiguity allows different people to read into it different meanings. For example, when it declares "Simply put, we want a world ruled by the values of liberty, equality, and fraternity – the old dream of our ancestors when they rose against oppression in previous generations . . ."

Does this refer to the French and American Revolutions, to a democratic republic based on private property or to a socialist future? It is not clear.

The economy we are told is to be run "democratically at all levels, from local to global". But the companies and corporations that exist by exploiting workers and making profits, are to continue, only "democratically run" – as are the IMF, the World Bank, the UN and other institutions of world imperialism.

The manifesto states: "Workers, despite wage level or gender, should have real decision power in the companies and corporations they work in. We want to promote co-operative companies and corporations, as real democratic economic institutions." This is something that a reformist, a Green Party member and a trade union official could all agree on – because it means different things to each of them and leaves them free to put their own spin on this "co-operative" goal.

There are good demands and proposals in this manifesto, for example: "We reject outright the privatisation of public services management, and the use of these essential services for private profit . . . Every human being

should have access to an adequate income for their livelihood, so we ask for work or, alternatively, universal basic income guarantee . . . Everyone has the right to enjoy culture, participate in a creative and enriching leisure at the service of the progress of humankind. Therefore, we demand the progressive reduction of working hours, without reducing income."

While there are many such excellent calls, the problem is the absence of any clear idea of how to achieve them. And yet, given the experience of the Occupy movement stalling in the face of the capitalist state's repression this is a crucial issue. Having put anti-capitalism on the agenda again how does the movement take the fight against capitalism forward?

This would require an important stage of discussion. What are the lessons of the Occupy movement? Did it achieve its goals? Why wasn't it able to maintain its spaces as autonomous areas of discussion and debate, and as centres of struggle and action? To take a movement forward it needs to learn from its experiences and assess both its strengths and weaknesses.

The Manifesto does not address, for example, the question of police brutality and how the repressive forces of the state were used to sweep the movement from the squares. The divisions in the movement over non-violence and direct action, "violence to property" and active self-defence are ignored. The Manifesto does not draw on the experiences of the Arab spring and the development of self-defence in Cairo's Tahrir Square.

Neither are the lessons of the very successful Oakland local general strike drawn upon, yet these events showed how linking the Occupy struggle to the local working class movement could enormously strengthen it and make the local state forces retreat in the face of a community united.

Those who insist on "autonomy" even to the extent of rejecting alliances and solidarity with the workers' movement – and there were some in Occupy who did – can only weaken its effectiveness. This lesson needs to be learned.

Any attempt to remove the power of the 1% – the corporate property holders and the politicians who wield power on their behalf – or even to implement some of the manifesto's more radical demands, can only be achieved and maintained by overthrowing the capitalist system itself.

The system is the root of the problems Occupy has identified. The system is the enemy. And overthrowing it means overthrowing its army, its police, its congresses and parliaments and replacing them with the masses organised to rule in democratic assemblies and congresses, protected by an armed population.

Party or movement?

While these issues are posed by the manifesto as it has been drafted perhaps a more important question is, does a disparate movement like Occupy actually need a programme? Occupy is not a party, it is a movement, and a very heterogeneous movement at that. That is not a criticism. It is a vital sign of any genuine mass movement free

from bureaucratic control by either officials or sects.

Neither do we have any idea how many of the activists involved in the Occupy struggle agree with, or were involved in producing, the GlobalMay manifesto. Other sections of Occupy have produced their own programme of demands, as with the "99% declaration" in the US which puts forward a series of limited democratic reforms.⁴ The consensus method of decision-making certainly cannot overcome such far-reaching political differences.

Karl Marx once advised his German supporters, who were trying to agree a common programme with a group of very different politics (the Lassalleans), that they would have been better advised "simply to have concluded an agreement for action against the common enemy" rather than adopting an inadequate programme, a compromise, a consensus. It was in this context that he declared: "Every step of the real movement is more important than a dozen programmes."

Maybe continuing to develop agreements for common action in Occupy, to fight the austerity measures, highlight the corruption and tax dodging of the filthy rich, keeping the inequalities and injustices of 21st century capitalism in the public eye by direct action and occupations, is the way to build the Occupy movement on the streets, keeping its broad and diverse elements united in fighting the common enemy – capitalism.

For the time being Occupy is on the defensive, but as part of a broader anti-capitalist movement it has certainly not gone away. It should discuss the lessons of the Oakland general strike and how we can link the anti-capitalist movement to the workers' struggle in a way that strengthens both.

Occupy activists could transfer their skills in running and maintaining occupations into helping the workers' and anti-cuts movement, encouraging direct action to occupy and save libraries, children's centres and factories threatened with closure.

We should try to use the imaginative and courageous methods of struggle pioneered by Occupy activists to dynamise a conservative trade union movement.

This is not to dismiss the attempt to have a political discussion about the type of society we want, the demands we raise, and how we achieve the destruction of this rotten system.

The GlobalMay Manifesto might well allow such a discussion, it might help distil out a section of the movement which can come to a clear agreement on how to turn anti-capitalism into a movement that can replace capitalism with a new communist society.

ENDNOTES

1. "Occupy Wall Street: It's not a hippie thing", Business Week, 27 October, 2011
2. "We are the 99%" was originally the title of a Tumblr blog which recounted heartrending stories of how the US recession had thrown individuals into debt, unemployment and homelessness. See the review of Occupy: scenes from occupied America in this issue
3. See the debate and contributions at anticapitalists.org/category/debate-new-left for example
4. See en.wikipedia.org/wiki/99_Percent_Declaration



Vivid accounts of the US Occupy movement

OCCUPY! SCENES FROM OCCUPIED AMERICA

Eds: Astra Taylor, Keith Gessen and editors from n+1

Verso / 2011 / £9.99

THIS IS one of the better accounts written about the Occupy movement in the US. It is primarily about Occupy Wall Street (OWS) but has contributions from other Occupy actions, in Oakland and Boston, for example.

It is edited and written by a group of fairly seasoned activists rather than by the younger and newer participants of Occupy. This allows for, perhaps, a longer historical view of the movement and its impact. The activists were both participants and observers and produced OWS-inspired gazettes about the occupation which were distributed around New York both as broadsheets and online.

It starts with the 17 September attempt to Occupy Wall Street, an area quickly sealed off by police, and an account of the first OWS general assembly that took place in Zuccotti Park, off Liberty Plaza.

Marina Sitrin's contribution provides some background to the events, pointing out that the "New York general assembly" started meeting in the summer 2011:

"We sought to create the most horizontal and democratic space possible, using the assembly as our primary tool. We discussed and debated the question of demands and what would define the movement, but we agreed not to use the framework of demands at all. So what are we about? Most of us believe what is most important is to open a space for conversations – for democracy – real direct, and participatory democracy."

These ideas, argues Sitrin, were not new, they grew out of the Zapatista struggle in Mexico, from the direct action network which

emerged from the 1999 Seattle protests, from the social forum movement and the Argentinian peoples' assemblies of the early 2000s. What linked them all, she suggests, was a rejection of the "concept of hierarchical power, of looking to state as ultimate decision maker, instead of looking to each other."

This "no demands" position clearly did not last long, because the moment the Zuccotti Park occupation was established everyone broke down into working groups, coming up with what they thought the OWS wanted and stood for. A declaration was quickly drawn up based on consensus decision-making.

Of course, it is easier to gain consensus on what you are against

It is a powerful indictment of 21st century capitalism in one of the wealthiest countries in the world and explains the support for the Occupy protests

rather than what you are for, so the declaration that came out of OWS was largely a critique of the excesses of US capitalism – but none the worse for that.

One of the contributions gives an insight into how this "consensus decision-making" actually works – and it doesn't appear to be very democratic. Manissa Maharawal explains how he and a group of friends who had attended a South Asian's for Justice meeting went down to OWS and read what was going to be the final declaration. They disagreed with a part of the declaration which they thought suggested that race, class and gender divisions "were problems that were behind us".

They raised it at the final meeting that adopted the declaration, and after much fuss and being told it was very serious to "block" its adoption, were told they could discuss the offending section afterwards. This they did, but with a small group of people who adopted the final formulation on race gender and class, not the general assembly.

Another chapter, "The theology of consensus" by L A Kaufman, explains how this method of decision-making came into the movement, not via the Zapatistas but from the Quakers!

He traces its roots to a 1976 campaign against the Seabrook Nuclear Plant where two staffers from the American Friends Service Committee, a Quaker connected group, suggested it as a means of coming to decisions.

He quotes a historian of the Quakers:

"For over 300 years the members of the Society of Friends (Quakers) have been making group decisions without voting. Their method is to

find 'the sense of the meeting' which represents a consensus of those involved."

While the Quakers believe such decisions are in effect a manifestation of divine intervention, the new anti-capitalist movements believe they are a democratic way of overcoming hierarchy and divergence.

In practice, however, as several participants in the book point out, only a tiny minority is able to spend the hours and hours necessary in the interminable consensus meetings, while those who work or look after dependents cannot fully participate.

It is undemocratic in that respect





and is why the labour movement developed efficient and short methods of decision-making based around democratic debate of resolutions and amendments.

One of the most moving sections of the book is a chapter by Marco Roth entitled "Letters of resignation from the American dream". It draws on the open blog or tumblr called "We are the 99 percent" a title that was to become a powerful slogan that resonated around the world's Occupy sites.

He describes one entry thus:

"A web page, white and red letters against a black background, a scrollable gallery of faces, most of them entirely hidden by handwritten notes in a variety of colours and formats. One a quarter face of a bald, bearded white man, holding a yellow legal pad, where he has written in block capitals, 'I work three jobs, none of which provide health insurance. My son is on Medicaid. We are on WIC (a US programme that offers food vouchers for pregnant and breastfeeding women on low incomes) We're one paycheck from disaster. I am 99%.'"

The entries continue forever: students with tens of thousands of

dollars of debt doing menial jobs with no prospects, a woman and her husband afraid to have children in case they become "part of the 99%", grandparents worried not only about their own poverty in retirement but the future of their own grandchildren.

It is a powerful indictment of 21st century capitalism in one of the wealthiest countries in the world and explains the support for the Occupy protests amongst wide sections of the US population.

The book deals with many other interesting issues thrown up by the movement: the debate about violence provoked by Occupiers in Oakland responding to police brutality, the arguments about how to deal with the homeless and mentally ill (often directed to or dropped off by the police at the Occupy encampments), the problems of running and keeping order in the encampments and the relationship between the Occupy movement and the organised labour movement.

If you want to understand the Occupy movement in America in all its strengths and weaknesses this is probably the one book to read.

Stuart King

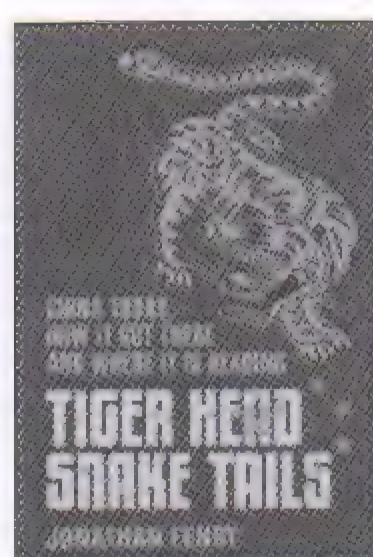
workers essential to China's "economic miracle".

In the space of five years a new high speed rail network was built covering China. Trains reached up to 300kph, far in excess of the notional 200kph limit allowed. But all was not well. In February 2011 Liu Zhijun the head of the Ministry of Transport was arrested. There was widespread corruption. It was found that some construction was not built to the required standard. Drivers only received one week of training compared with months in the west. In July 2011 a train crashed. There was a cover up and a scandal. In mid-August further expansion was put on hold.

As with the railways, so goes the environment, construction and other key sectors of the economy. The hybrid nature of China's state capitalism, with the reign of the market not yet fully established over the main banks and state owned enterprises, means that the Chinese Communist Party (CCP) chiefs are forced to steal to line their pockets rather than receive dividends and bonuses.

Fenby's book anticipates some of the machinations surrounding the recent arrest of Bo Xilai, the populist chief of Chengdu, a leader who dabbled in Maoist rhetoric to build a popular base among the local poor. Fenby shows that this princeling son of Maoist high-ups is no left winger, but nevertheless his crack down on local gangsters antagonised the leadership of the Communist Party in Beijing and meant his expected accession to the Politburo, that Fenby discusses in this book, never occurred. It demonstrates how brittle the unity of the CCP is, with its competing cliques and ingrained conservatism.

Fenby discusses China's relations with the smaller nations and nationalities trapped within its borders as well as its rivals in the west. But his analysis never rises above the now. The contradictions of the lack of democracy and the growth of capitalism are all too evident. The vice-like grip of the CCP is challenged by the facts of everyday life – the rise of bloggers,



Another China expert sees trouble ahead

TIGER HEAD, SNAKE TAILS: CHINA TODAY, HOW IT GOT THERE AND WHERE IT IS HEADING

Jonathan Fenby

Simon and Schuster / 2012 / £20

JONATHAN FENBY is a former bureau chief for the Economist and Reuters. He has edited the Observer and South China Post. A journalist and China expert Tiger Heads and Snake Tails delivers a stream of facts, figures and a fractured narrative that covers the post-war history of China from the accession of Mao in 1948 to the present day.

By now readers of China's recent

history will be familiar with the script of these popular accounts of China's development. Fenby delivers just what is expected. Astonishing illustrations of China's industrial development are mixed with explanations about the cracks that threaten the whole edifice.

In the winter of 2008, as the world sank into recession, the Chinese rulers oversaw probably the largest deficit financed reflation of any capitalist economy in history. Infrastructure projects were rushed forward to replace the collapsing export sector and provide alternative employment for the approximately 200 million migrant

the strikes and protests, the corruption of its cadres – but at the same time its rule remains as strong as ever.

And here is the nub of the issue. China will not be brought down by corruption, faulty trains or scandals about environmental desecration – its leaders understand that. Their fear is of a slowdown in the economy. The unwritten pact with the population as a whole, and its

mighty industrial working class in particular, is that as long as it can deliver major and continuous improvements in living standards, with full and growing employment, rising wages and improved social conditions, most people will put up with the wholesale thieving and repression of “communist” rule.

Once it cannot, then at that point a change will come.

Bill Jefferies

Plotting the urban revolution

REBEL CITIES: FROM THE RIGHT TO THE CITY TO THE URBAN REVOLUTION

David Harvey

2012 / Verso / £12.99

DAVID HARVEY'S latest work, *Rebel Cities*, picks up on many of the themes that have dominated his voluminous output across the last four decades. While there is no shortage of theorists for whom the actual course of events has unseated some of their cherished concepts, history has been much kinder to Harvey.

In particular, his understanding of Marx's theory of capital and its implications for the continual chaotic expansion and transformation of our urban metropolises has stood the test of time.

A geographer by profession, Harvey has been concerned with the role played by the built environment as an outlet for surplus capital. Expanding the scale of urbanisation as well as redeveloping existing population centres has always proven to be an attractive means for the absorption of capital surpluses.

But the necessarily long term nature of these investments has always required a substantial degree of financing, making them prone to speculative bubbles.

The dramatic expansion in the scale of global urbanisation over the

last two decades as well as the role played by investments in mortgage-related assets in the financial crisis of 2008 both underline the importance of Harvey's work to understanding capitalist crisis.

Rebel Cities recounts much of his earlier analysis of finance capital in an age of neoliberalism, exposing again the Ponzi-like character of the US sub-prime mortgage market and the human cost of foreclosures. But he also extends the same theoretical framework to the huge expansion of the urban environment in contemporary China, which has seen villages transformed into millions-strong metropolises.

Crucially, however, the book is primarily a political intervention into the nature of a new “urban commons” and the upsurge of recent interest in Henri Lefebvre and his classical work, *The Right to the City*. Urban dwellers are now a majority of the global populace and city life is wracked with injustices. Too often community solidarity has been displaced by a dog-eat-dog ethos. This has prompted a debate on what an “urban commons” would look like. Harvey's intervention is to call “for urban revolution” carried through by a proletariat conceived in broad terms as the urban masses.

Harvey is certainly no stranger to Lefebvre, whose influence on his work is probably second only to

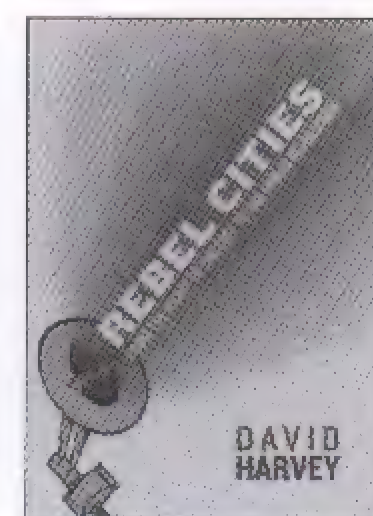
Marx, and informs much of his thinking about the concept of “space”. Lefebvre distinguished between physical space, the conception and representation of space, and, thirdly, how we live within space as humans capable of sensation, imagination and apportioning meaning.¹

Although this sounds horrendously abstract Harvey has successfully shown how the space of “Ground Zero” in New York underlines the importance of Lefebvre's ideas. Ground Zero is obviously a physical space, but it also has a representational, emotional and ideologically constructed meaning. This not only gives it a “presence” in global politics which is relevant to all of the world's inhabitants, most of whom will never go to Manhattan, but it also affects the architectural choices that urban planners, and the US government under George Bush, made when they redeveloped the site itself.²

In *Rebel Cities*' discussion of monopoly rents – the term used to describe how capitalists will charge more due to having exclusive control over an item which is unique or can't be easily replicated – we see the coming together of the influences of Lefebvre and Marx. He shows how the artistic and cultural qualities of a location, whose meanings and significance are also contested and subject to change, will allow capitalists to charge monopoly rents and thus encourage speculation. This is crucial to capturing how culture and geography economically differentiate cities such as New York, Tokyo and Paris, from Lille, Baltimore, or Rostock.

Lefebvre coined the term the “right to the city” back in 1968 as a “demand for a transformed and renewed access to urban life”.³ Both in Lefebvre and the more recent reformulations of the notion, it is seen as a collective right to live freely in a sustainable environment that is subject to some principle of democratic control.

Harvey is undoubtedly sympathetic to these ideals, but he provides an important corrective to





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the more utopian expressions of this idea. Drawing on Marx's dictum that "between equal rights force decides" Harvey continually emphasises the contested nature of the "urban commons".

In part, Harvey critiques the many ways in which capitalist hierarchies continually reproduce social injustice in the city despite its seemingly unending capacity for renewal of urban space – encapsulated in discourse about "regeneration". In Britain, the experience of Olympic redevelopment in the east end of London, has led to the cleansing of "high value" locations of their working class inhabitants, pushing them into less desirable areas.⁴ Such displacement adds a further precariousness to the life of exploited labourers and it also opens up a new terrain of struggle in defence of communities threatened by gentrification.

Rebel Cities extends Harvey's previous scathing attacks on modern capitalism – in books such as *History of Neoliberalism* and *The New Imperialism* – by emphasising the strategic problems that the transformation of class relations in the urban spaces of capitalism poses for anti-capitalist transition.

There are at least two insights of real value to those who want to develop a new radical politics. Firstly, Harvey argues for us to broaden our conception of the working class outwards; not to exclude the traditional factory workers but to include informal sectors with temporary, insecure employment, the slum dwelling urban poor, the unemployed, female domestic labourers and jobless youth denied a future by the capitalist crisis.

All of these sectors of the working class can play a vital role in anti-capitalist transition. To allow them to do so, Harvey argues, we also need to augment traditional conceptions of class struggle in a way that renders their contribution explicit. He points out that the Paris Commune can be conceived as simultaneously a class struggle of workers against capital and a demand for an urban revolution to

put Paris under the democratic control of its civic majority.

But he also challenges us to think about any "classical" instance of class rebellion without accounting for the role played by social forces beyond the waged labourers themselves. Can we do justice to the story of the miners' strike without the role played by miners' wives, the civic desire to wrestle control of pit villages from police incursions or the solidarity movements that engulfed many towns and cities?

Harvey is sometimes derided as a semi-populist who has kissed goodbye to the working class as the central agency of fundamental social transformation; but he is quite explicit in *Rebel Cities* that he is simply urging a re-conceptualisation of the proletariat away from narrow and unnecessarily limiting definitions.

He wants to embrace the broad mass of labourers subjected in multiple ways to the logic of capitalist exploitation. This, surely, is a vital assumption for the renewal of the socialist project. In actual fact, if we were to criticise his advocacy of urban revolution, it is not clear what role rural communities play in this movement for Harvey. If urban revolution is about grasping the ways in which transformations in labour and the urban life require us to direct our energy at building forms of working class democracy within a city, then we need to ask the same questions about how recent changes will affect the likely role of the peasantry.

The second point of political interest is that *Rebel Cities* opens up a polemical exchange with "horizontalist" notions of the urban commons as an autonomous, decentralised community that can subject itself to no higher authority. Harvey argues that localisation and autonomy have been central mechanisms of neoliberal assault on collective welfare and provision of services. This is because with no higher authority to regulate interchange amongst the autonomous locales, then competition must start to form part

of their interaction.

The current reforms in the NHS in Britain observe exactly this logic and will result in the concentration of resources within the larger, more competitive hospitals in urban centres, thereby squeezing out smaller local providers.

Harvey notes how the anarcho-libertarian, Murray Bookchin's notion of "confederalism" implicitly recognises this problem, as it proposes a system of federated local communes, built from the bottom up, which would then establish co-ordinations allowing for administration and distribution of goods. He commends Bookchin for conceiving the local as a direct democracy-based urban assembly fusing workplace and civic forms of class power, but insists that a form of overall, democratic authority would still be required to regulate the global commons.

"Horizontalism" offers "visions of radical democracy... that can work for small groups but are impossible to operationalise at the scale of a metropolitan region, let alone for the seven billion people that now inhabit planet earth."⁵

Harvey's answer to this riddle is urban revolution. It sounds very similar to the soviets through which the working class took political power in the Russian Revolution of 1917: forms of direct democracy which are built from the bottom up but also send delegates to deliberate in regional and national bodies that thus allow the socialist federation as a whole to co-ordinate planning.

The only difference is that he stresses this cannot just be conceived in workplace terms, but must provide avenues for the democratic involvement of the mass of the working class through popular assemblies. He reviews the experience of El Alto in Bolivia, which underwent an urban revolution between 2000 and 2005, but then fell victim to the ideological authority of the reformist-populist Eva Morales on the one hand and the repression of the Bolivian state on the other.

How to overcome the limits of repression and reformist

dissipation, is an age old challenge for radical politics. Harvey's conclusion is that a global political movement – like Occupy but drawing in greater numbers – needs to emerge to put the formation of “socialist cities” and new socialist federations of working class

ENDNOTES

1. H Lefebvre, 1991, *The Production of Space*, Basil Blackwell: Oxford
2. D Harvey, 2006 *Spaces of Global Capitalism; Towards a Theory of Uneven Geographical Development* Verso: London, pp130- 136

democracy on the political agenda.

Rebel Cities is written with all the eloquence we have come to expect from Harvey, but it is also a timely contribution to the question of how to achieve radical social change in the 21st century.

Luke Cooper

3. H Lefebvre, 1996 *Writings on Cities* Blackwell, Cambridge MA
4. See A Kumar, 2012, “Want to cleanse your city of the poor? Host the Olympics”, available at ceasefiremagazine.co.uk/olympics-opportunity-cleanse-city
5. D Harvey, 2012, p125

consistently argued for communists to never conceal or adapt their views in an opportunist manner, never to hide their aim of destroying the capitalist system.

He has good reason to ignore this injunction because it runs completely counter to the line of march of the Fourth international, summed up by Fred Laplat in the book's preface:

“What is therefore necessary are broad pluralist parties embracing both the radical and Marxist left to restore independent working class representation.”

Or more clearly put, parties that tie the Marxists to left reformism, a strategy that led the Fourth Internationalists straight into government with the Brazilian Workers' Party.

Communists or revolutionaries argue for the working class, the 99% in the evocative phrase of the Occupy movement, to take power for ourselves, to control and manage every aspect of society. This means standing for a revolution where we overthrow the bourgeois elite, the capitalist owners.

We are for a revolution and clear revolutionary politics. We are for the working class control of the mass struggles, rank and file trade union control of strike action, for mass democracy in the party and society as a whole and for the subordination of the party to working class interests.

In this sense we should never argue for, or support, politics that are less than revolutionary. But we win people to our politics by proposing the concrete actions necessary to win particular struggles, by engaging in united action, by making links between the various struggles and the underlying system of elite power that disempowers the working class.

The primary focus for this struggle is in the workplaces and working class communities, in the streets and factories, disrupting the power of the bosses by taking away their profits and expropriating their property.

But we do not ignore elections. If we are not strong enough to stand on a communist platform then

Lessons from the left in Europe

NEW PARTIES OF THE LEFT: EXPERIENCES FROM EUROPE

Bensaïd, Sousa, Thornett and others
2012 / Resistance Books / £7

THIS BOOK, comprising essays by various supporters and members of the Fourth International, is a mixed bag. Several chapters are marred by an over-emphasis, in some cases an exclusive emphasis, on electoral politics, and it largely leaves out the experiences of the mass movements and working class activists.

However, at a time when capitalism has never in recent memory been so unpopular and when this hasn't translated into gains for the left, it is interesting to ask why and reflect on the experiences of several different European countries.

For as long as I can remember the left has been divided sometimes bitterly and every so often someone will say, normally a new activist, but occasionally a veteran campaigner, “If only you lot could get together and stop fighting each other then we'd be in a much better place.”

Is this true? If so how can we get together? And why has it proved so difficult? These are some of the questions I certainly wanted answered in my reading of the book.

Bertil Videt writes in his

introduction that many Marxists operate on a “basic assumption that social struggles and conflicts shape history rather than electoral politics and parties” as if this is some kind of flaw or oversight usefully corrected by the electoralism of this book.

He goes on to analyse how the left have made minor breakthroughs in some elections and how the rightward drift of social democracy opens up a space for a new, left reformism.

This is a very common approach for socialists. Even those who describe themselves as revolutionary often end up and arguing for a kind of left reformism on the basis that the working class isn't ready for anything more yet. Then you get other groups (normally much smaller) denouncing them for their betrayals. This has become a familiar and not particularly endearing trend of much of the left – seemingly across Europe.

Of course the enthusiasm for standing in elections is understandable. Videt quotes Lenin from *Left Wing Communism* advocating parliamentary work where communists are not strong enough to foment revolution. If they don't do this they “risk turning into nothing but windbags”. Videt omits the point that Lenin also



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where a group of workers is moving leftward and breaking from a particular reformism we may participate in such a party, possibly stand as a candidate or give critical support. This is always though on the basis of open communist politics. You do not convince others of the wisdom of your views by disguising them or pretending to be something other than you are.

If at first it seems somewhat gratifying that the late Daniel Bensaid in the first chapter of this book is arguing for an “intransigent anti-capitalism”, it is disappointing, but predictable, that this intransigent anti-capitalism is argued for without once mentioning revolution or working class power!

Alain Krivine’s article about the French New Anticapitalist Party (NPA) is one of the more interesting and detailed. Written at the beginning of 2011, two years after the NPA’s foundation, it points up many of the growing problems in the NPA. But these are largely treated as largely organisational ones rather symptoms of a party requiring a political and strategic change of course.

He describes its founding document, a document that argued against any possibility of “reforming” or “democratising” capitalism but rather declared the need to “revolutionise society”. However he then points out that “all the strategic debate about taking power, transitional demands, dual power etc” were left “open for future discussion”, a discussion that it is clear never happened, a strategy for actually revolutionising society and taking power never resolved.

He describes a largish party of 9,000 members at its launch (3,000 of whom were LCR members) becoming a very loose and directionless party that was unable even to enforce democratically reached majority decisions. With little central direction, a poorly sold weekly paper and erratic attendance at its local meetings “apart from a network of several hundred militants who provide permanence and continuity” the party drifted.

Again the obsession with elections and making election blocs

for national and European elections dominates the discussion. Yet it was very concrete political problems, how to respond to the French state’s attacks on the rights of religious minorities, the banning of religious dress in schools and the veil in public places, which tore into the NPA. It was incapable of coming up with an agreed position on the relation between religion and state or even personal religious belief and being a member of the NPA. As a result it staggered from crisis to crisis, losing members hand over fist. None of this gets a mention in Krivine’s account, maybe because the depth of the crisis only became apparent after it was written.

As a result Krivine paints a relatively optimistic picture of the developing NPA. He lightly dismisses differences over how to relate to the split from the Socialist Party, what became Jean-Luc Mélenchon’s Front de Gauche (PG – Left Front), even declaring of Mélenchon’s grouping: “Trapped between the PCF and the NPA, the PG risks disappearing by remaining alone.” Rarely has a prediction been proved so wrong so quickly. Having remained “alone” in the recent presidential elections, it is the NPA which is in danger of disappearing!

The one chapter that shines out above the others is the one by Salvatore Cannavo about the various failures, as he puts it, of Italy’s Communist Refoundation (PRC). Cannavo sees the failure of the PRC in precisely the failure to break from “bureaucratic methods driven by base ambition”.

The aim of communist politics shouldn’t be to win power for “a particular type of person . . . selected for their loyalty over years” but to win power for the mass of the working class – not for a new bureaucratic boss to give the masses orders but to have an end to bosses. Socialism should be about maximum autonomy and individual freedom and, where decisions need to be collective, about maximum democracy and united action.

The repeated and repetitive failures of socialism have been, in Cannavo’s words, “a political disaster affecting millions of people

and involving tens of thousands of militants, members and leaders of shipwrecked parties.”

What matters is not a diversity of opinion on the left but the complete dislocation of the left from fighting for the burning needs and concerns of working class communities blighted by austerity, oppression and the class war of the bourgeois determined to extract profit. The left Cannavo observes (writing of the PRC but pertinent to a much wider constituency) has “an absence of a culture of debate” let alone programmatic clarity. “The party rank and file was tossed around, not really grasping what was going on and often incapable of developing a counter-tendency” to the PRC leadership.

“Little by little decision-making became delegated upwards; the national and local leaders took on the preponderant role and were often at the same time the institutional representatives of the party . . . The terrible thing was that the central apparatus often knew little or nothing about how to lead a mass political intervention.”

The disunity of the left matters at the level of action. If the left has ten or even a hundred different groups this is of no concern as long as there is both unity in action and an open vibrant culture of discussion, democracy and collective decision-making. Until the left unlearns the history of bureaucracy, petty squabbling, arrogance and bitter infighting it will justifiably remain small and ineffective.

This book gives some interesting examples in how the left has not yet learnt those lessons and in at least Cannavo’s chapter some useful ideas on how to proceed by refounding a socialist culture based on giving power to the base, to the millions, to the militants not the bureaucrats. But the purpose of the book overall is to peddle the Fourth International’s disastrous strategy of “filling the space” to the left of reformism with more reformist parties. It is an opportunist recipe for disaster, most clearly demonstrated by the Italian example.

Jason Travis



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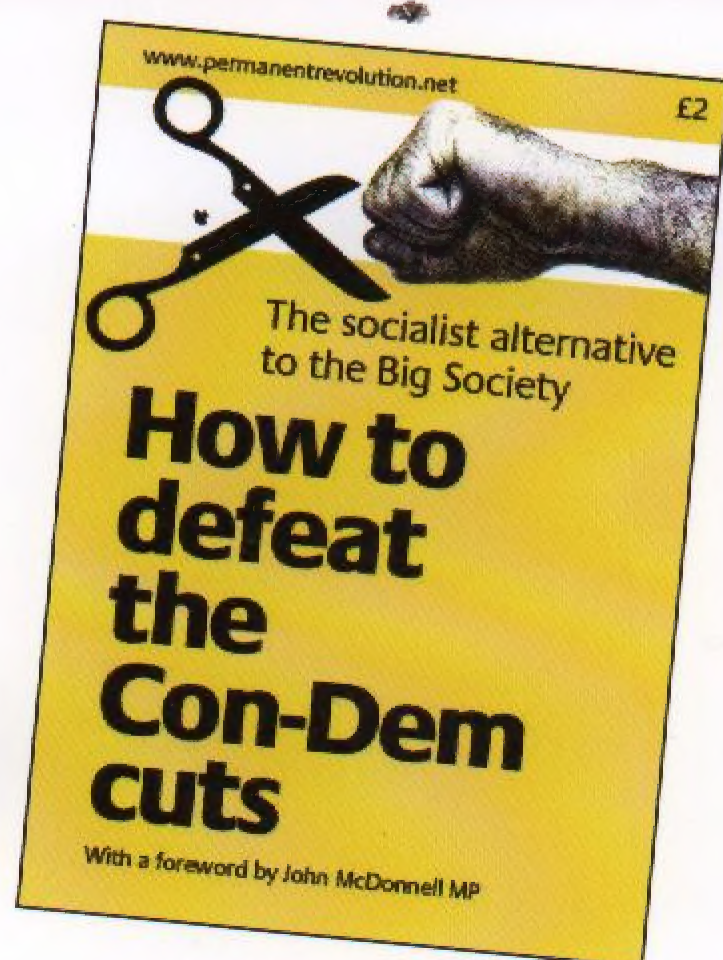
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